

7/25/78-Possible 1979 Budget Reductions [2]

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JUSTICE

Budget Examiner John Komoroske

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1979 Budget Reductions
Department of Justice

Name of affected program Legal Activities

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u> </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
Operational (affecting way programs are carried out)	<u> </u>	Deferral proposal	<u> </u>	
		Other legislation	<u> </u>	
		Administrative action	<u>X</u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	383.6	-44.6	-50.9	-51.2
Outlays.....	378.3	-43.2	-50.0	-50.3

Suggested action

Additional resources to deal with the 30% increase of Federal judges would not be provided. If the Judgeship bill is enacted in this Congress, this would affect the Legal Divisions, the U.S. Attorneys and Marshals, the Community Relations Service, and the Fees and Expenses of Witnesses account, all of which would have to absorb the additional workload the Judgeship bill entails. Because of Justice's lack of litigation priorities and a workload measurement system, it is problematical to gauge the impact of not providing this funding and personnel to cope with the additional judicial capacity. It should be noted, however, that most observers have argued that the limited number of judges has been the prime bottleneck in the Federal justice system. It can be argued that we need not provide substantial increases to other segments of the justice system simply because this blockage has been removed.

Budget Examiner Mike Arnold

Telephone x4563

1979 Budget Reductions
Department of Justice

Name of affected program State Antitrust Grant Program, Antitrust Division

Nature of action:

(Check
one)

Substantive (affecting program) X

Operational (affecting way
programs are carried out)

Type of action required:

Rescission proposal

Deferral proposal

Other legislation

Administrative action

(Check
one)

 X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	46.3	-10	0	0
Outlays.....	44.9	-10	0	0

Suggested action

Elimination of the grant program that provides funding to States to support development of State antitrust enforcement capabilities. This demonstration and "seed money" program was authorized for the three year period 1977-1979. Serious questions have been raised about the effectiveness of these grants.

Budget Examiner John Komoroske

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1979 Budget Reductions
Department of Justice

Name of affected program Community Relations Service

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
Operational (affecting way programs are carried out)	<u> </u>	Deferral proposal	<u> </u>	
		Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	(\$M) <u>1979</u>	<u>1980</u>	<u>1981</u>
BA	5.4	-5.4	-5.4	-5.4
Outlays.....	5.3	-5.3	-5.3	-5.3

Suggested action

The Community Relations Service, which mediates and conciliates racial disputes, would be abolished.

OMB has requested CRS to evaluate its work, which it has been unable to do. Questions have been raised about not only the quality and quantity of its work, but also the need for the program at all.

Budget Examiner Nat ScurryTelephone x4563

1979 Budget Reductions

Department of Justice

Name of affected program FBI and DEA's State and Local TrainingNature of action:(Check
one)Substantive (affecting program) XOperational (affecting way
programs are carried out) _____Type of action required:(Check
one)

Rescission proposal _____

Deferral proposal _____

Other legislation _____

Administrative action _____

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for eachBudget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	19	-5	-5	-5
Outlays.....	19	-5	-5	-5

Suggested action

The number of state and local students trained at FBI and DEA training facilities and the length of training would be reduced. Both agencies exercise absolute control over the number of students trained as well as the length of training. Questions have been raised about the necessity for some of this training. Some courses taught at the FBI and DEA Academies could be taken at many universities and colleges. State and local law enforcement agencies have opposed previous efforts to reduce the level of training provided by these agencies or require reimbursement for these programs.

Budget Examiner Mike Arnold

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1979 Budget Reductions
Department of Justice

Name of affected program Immigration and Naturalization Service--Enforcement Program

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal		
Operational (affecting way programs are carried out)		Other legislation		
		Administrative action		

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	142	-12	-16	-16
Outlays.....	138	-12	-16	-16

Suggested action

Do not fund additional enforcement-related personnel provided for in the 1979 budget until undocumented alien legislation passes the Congress. While legislation is not needed for this component of the President's undocumented alien program, efforts to prevent entry are of very limited value in the absence of efforts to remove the incentive for illegal immigration (i.e., the availability of employment in the U.S.).

Budget Examiner Adrian Curtis

Telephone x4563

1979 Budget Reductions

Department of Justice

Name of affected program Bureau of Prisons

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u> </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
Operational (affecting way programs are carried out)	<u> </u>	Deferral proposal	<u>X</u>	
		Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	--	-15	--	--
Outlays.....	4	-4	-9	-2

Suggested action

Site acquisition and construction of the Detroit Metropolitan Correctional Center would be deferred until the completion of the Justice Department review of Federal prison and jail policy (Construction is fully funded). A site has been selected but not purchased; architects and engineers are working on the design; and construction is scheduled to begin in October 1978.

Telephone x4563

Department of Justice

<u>Nature of action:</u>	(Check one)
Substantive (affecting program)	_____
Operational (affecting way programs are carried out)	_____ X

<u>Type of action required:</u>	(Check one)
Rescission proposal	_____
Deferral proposal	_____X_____
Other legislation	_____
Administrative action	_____X_____

Note: If two or more kinds of actions are needed, identify dollar amount for each

	1979			
<u>Deferral</u>	<u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	2.6 M	-2.6 M	--	--
Outlays.....	1.6 M	-1.6 M	-.7 M	-.3 M

BA		--	--	-23	--
O		--	--	-4	-14

Acquisition of a site for a West Coast Federal Correctional Institution for adults would be deferred at least until Justice completes its Federal prison policy study that is currently underway. There are some preliminary indications from an ongoing reclassifications study that another western adult facility may not be needed.

Budget Examiner Adrian Curtis

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1979 Budget Reductions
Department of Justice

Name of affected program Victims of Crime

Nature of action:

(Check
one)

Substantive (affecting program) X

Operational (affecting way
programs are carried out) _____

Type of action required:

Rescission proposal

Deferral proposal

Other legislation

Administrative action

(Check
one)

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	30 M	-30 M	-35 M	-35 M
Outlays.....	30 M	-30 M	-35 M	-35 M

Suggested action

Administration support for the enactment of a Victims of Crime compensation program to be funded by LEAA by special grants to the States would be withdrawn. Given the tight budget, it is unwise to initiate a new program that will continue indefinitely. Furthermore, it can be argued that helping crime victims is primarily a State and local responsibility.

LABOR

1979 Budget Reductions
Department of Labor: Employment and Training Administration

Name of affected program:

Program Administration (PA) account

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	_____	Rescission proposal	<u>x</u>
		Deferral proposal	_____
Operational (affecting way programs are carried out)		Other legislation	_____
	<u>x</u>	Administrative action	_____

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 PA Base Total	1979	1980	1981
BA.....	90.4	-1	--	--
Outlays.....	88.1	-1	--	--

Suggested action: Reduce travel funds in the PA account from \$7.5M to \$6.5M. This reduction is justified by (1) reduced traveling by youth programs staff as they get the youth initiatives up and running (essentially done by end of FY 1978), by (2) reduced traveling by veterans employment representatives (assumes present employment success of veterans relative to nonveterans will continue), and by (3) actual travel in 1978 at lower than expected rates.

7-20-78
LVE

1979 Budget Reductions
Department of Labor: Employment and Training Administration

Name of affected program:

Program Administration (PA) account

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<u> </u>	Rescission proposal	<u> </u>
		Deferral proposal	<u> </u>
Operational (affecting way		Other legislation	<u> </u>
programs are carried out)	<u>x</u>	Administrative action	<u>x</u>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>PA Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	90.4	-0.5 ^{1/}	-0.5	-0.5
Outlays.....	88.1	-0.5	-0.5	-0.5

^{1/} Ballpark estimate. ETA unable to break out costs at this time.

Suggested action: Terminate two ETA publications: (1) "ETA Interchange" (the house organ); and (2) "WORKLIFE" (summaries of R&D results and other program information). The publications are unnecessary because whatever public business they transact could be done more efficiently (e.g., by field memorandum to affected parties). No rescission is proposed-identified savings would offset pay increase.

7-20-78
LVE

1979 Budget Reductions
Department of Labor: Employment and Training Administration

Name of affected program:

Veterans Employment Service (VES) (Program Administration (PA) account)

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	_____	Rescission proposal	_____x_____
		Deferral proposal	_____
Operational (affecting way programs are carried out)	_____	Other legislation	_____
		Administrative action	_____
		Reduction in force	_____x_____

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979			
	PA Base Total	1979	1980	1981
BA.....	90.4	-2	-2	-2
Outlays.....	88.1	-2	-2	-2

Suggested action: Reduce VES full time personnel ceiling by 52 positions. Recent studies of veterans employment patterns has led to the conclusion by DPS, CEA, and OMB (independently) that there is no significant veterans employment problem (i.e., controlling for age and race, vets do better than nonvets). Thus there is no programmatic reason for special veterans employment personnel. Since most of VES staffing is mandated by law, and will be difficult to change, this proposal is limited to a large portion (65%) of non-mandated staff. (The 52 positions are the secretaries attached to each State Veterans Employment Representative. The State Employment Service offices can be directed to absorb these clerical duties.)

7-20-78
LVE

1979 Budget Reductions
Department of Labor: Employment and Training Administration

Name of affected program:

Office of Youth Programs (OYP) (Program Administration (PA) account)

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<input type="checkbox"/>	Rescission proposal	<input checked="" type="checkbox"/>
		Deferral proposal	<input type="checkbox"/>
Operational (affecting way programs are carried out)	<input checked="" type="checkbox"/>	Other legislation	<input type="checkbox"/>
		Administrative action	<input type="checkbox"/>

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>PA Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	90.4	-1	-1	-1
Outlays.....	88.1	-1	-1	-1

Suggested action: Reduce OYP full time personnel ceiling by 30 positions. The extra staff now necessary for program implementation will not be needed when program is fully operational and entering a maintenance phase in 1979. In addition, Job Corps operations staff needs will be less because of slower than expected phase-up. This proposal merely holds OYP at its 1978 level.

7-20-78
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1979 Budget Reductions
Department of Labor: Employment and Training Administration

Name of affected program:

Office of Policy Evaluation and Research (OPER) (Program Administration (PA) account)

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<input type="checkbox"/>	Rescission proposal	<input checked="" type="checkbox"/>
		Deferral proposal	<input type="checkbox"/>
Operational (affecting way programs are carried out)	<input checked="" type="checkbox"/>	Other legislation	<input type="checkbox"/>
		Administrative action	<input type="checkbox"/>
		Reduction in force	<input checked="" type="checkbox"/>

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979			
	PA Base Total	1979	1980	1981
BA.....	90.4	-1	-1	-1
Outlays.....	88.1	-1	-1	-1

Suggested action: Reduce OPER full time personnel ceiling by 25 positions. OMB has seen little quality output from this office, and believes a reduction would have limited impact on program effectiveness. Additionally, another ETA office (youth programs) has just been able to manage about \$100M in R&D grant funds on a start-up basis with about 15-20 people, while OPER manages about \$20-\$25M in grants, many of which are on-going.

1979 Budget Reductions
Department of Labor: Employment and Training Administration

Name of affected program:

Comprehensive Employment and Training Act

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) _____

Rescission proposal _____

Deferral proposal _____

Other legislation _____

x Administrative action _____

Budget Amendment _____

x

x

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	10,808	-100	-100	-100
Outlays.....	11,356	-100	-100	-100

Suggested action: Reduce State and local administrative expenses about 10% in all CETA programs by:

- 1) seeking authority in the pending CETA reauthorization for 1979 for the Secretary to establish maximum amounts for administrative costs; and
- 2) amend pending budget request for 1979.

7-20-78
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1979 Budget Reductions
Department of Labor: Employment and Training Administration

Name of affected program:

Job Corps (Employment and Training Assistance account)

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) <input checked="" type="checkbox"/>	Rescission proposal	_____
	Deferral proposal	_____
Operational (affecting way programs are carried out)	Other legislation	_____
	Administrative action	_____
	Budget amendment	<u> x </u>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979			
	Job Corps Base Total	1979	1980	1981
BA.....	296	-150	-36	--
Outlays.....	326	-- <u>1/</u>	-11	--

1/ Outlays do not change because we are already projecting these lower Job Corps outlays in the mid-session estimate.

Suggested action: Reduce public Job Corps expansion target from 44,000 enrollees by mid-FY 1979 to 36,000 enrollees at the end of FY 1979. Project attainment of 44,000 target by end of FY 1980. Enrollment at the start of expansion was 22,200 (October 1977). Enrollment is now 23,400 (June 1978) versus a planned level of 31,800 -- essentially no expansion has occurred. Present targets are unreachable. The proposal admits this publicly, but affirms an eventual doubling of the program as originally proposed.

7-20-78
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1979 Budget Reductions
Department of Labor: Employment and Training Administration

Name of affected program:

Summer Program for Economically Disadvantaged Youth (SPEDY) (Employment and Training Assistance account)

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<input checked="" type="checkbox"/>	Rescission proposal	_____
		Deferral proposal	_____
Operational (affecting way programs are carried out)		Other legislation	<input checked="" type="checkbox"/>
		Administrative action	_____
		Budget Amendment	<input checked="" type="checkbox"/>

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979			
	SPEDY Base Total	1979	1980	1981
BA.....	740	-74	-79	-85
Outlays.....	763	-74	-79	-85

Suggested action: Reduce SPEDY eligibility from ages 14-21 to ages 14-19 -- eliminate youth ages 20-21. The main economic purpose of this program is to provide part-time summer jobs to in-school youth whose summer labor supply exceeds demand. Its social purpose is to keep large numbers of youth in groups from hanging out on the streets. Both purposes argue for limiting eligibility to teens, who (1) are more likely to be in the in-school situation, and (2) are more likely to be unemployed. The 20-21 group still has available to it the Young Adult Conservation Corps, the Job Corps, other year-round youth employment and training programs, and the proposed targeted employment tax credit. The reduction shown here assumes that half of the 20% of total program dollars now going to this age group is reprogrammed for remaining youth.

7-20-78
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1979 Budget Reductions
Department of Labor: Employment and Training Administration

Name of affected program:

Public Service Employment (CETA)

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) <input checked="" type="checkbox"/>	Rescission proposal	_____
	Deferral proposal	_____
Operational (affecting way programs are carried out)	Other legislation	_____
	Administrative action	_____
	Budget Amendment	<u> x </u>

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 Base Total	1979	1980	1981
BA.....	5,955	-1,000	--	--
Outlays.....	6,203	-1,000	--	--

Suggested action: President's budget now calls for 725,000 PSE jobs in 1979, an arbitrary (i.e., non-unemployment rate related) total picked to give a period of stability to the program following the rapid stimulus build-up to this level in 1977-78. If the Administration's CETA legislative proposal for PSE beginning in 1980 were operative for 1979, only \$3 billion could be available based on current unemployment rate estimates. A cut of \$1 billion in 1979 (about 100,000 jobs) will help phase the program down, as originally planned in the Economic Stimulus strategy, and make it a little easier to achieve the much reduced levels in the President's budget estimates for 1980 (\$3 billion) and 1981 (\$3 billion).

A further reduction of \$500 million to \$1 billion could as readily be justified in relation to the unemployment rate and would make the transition to 1980 smoother.

1979 Budget Reductions
Department of Labor: Employment and Training Administration

7-20-78
LVE

Name of affected program:

Employment Security Automation Project (Grants to States for UI and ES)

Nature of action:

Type of action required:

(Check
one)

Substantive (affecting program)	<u>x</u>	Rescission proposal	<u>x</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u>x</u>	Other legislation	<u> </u>
		Administrative action	<u>x</u>

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	40	-20	-30	-40
Outlays.....	40	-20	-30	-40

Suggested action: Eliminate this project as a national effort, and proceed with automation of the 100% Federally funded State Employment Security Agencies as each is fully justified, and as funds are available within normal operating costs. The Department of Labor has not shown that the benefits of automating job matching justify the costs. Department and State agencies would oppose reducing automation funds.
(Federal employment -51 FTP end 79).

7-20-78
LVE

1979 Budget Reductions
Department of Labor: Employment Standards Administration

Name of affected program:

Federal Employee Workers' Compensation Program

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) x Rescission proposal _____
Operational (affecting way programs are carried out) x Deferral proposal _____
Other legislation _____
Administrative action x _____

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 Base Total	1979	1980	1981
BA.....	228	0	-- 1/	-- 1/
Outlays.....	228	0	-- 1/	-- 1/

Suggested action: Submit legislation to modify certain segments of the Federal Employees' Compensation Act (FECA) such as: a) establishing a two day waiting period at the beginning of each disability; b) suspension of compensation for refusal to undergo vocational rehabilitation; c) extending reemployment rights from one to two years; and d) providing benefits that are lower than previous take home pay.

1/ The outlay effect of these potential changes is difficult to estimate at this time. However, the DOL -- when it initially made these proposals in 1977 -- projected a potential savings in the future of about \$100M annually.

7-20-78
LVE

1979 Budget Reductions
Department of Labor: Mine Safety and Health Administration (MSHA)

Name of affected program:

Safety and health inspection of mines

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<input checked="" type="checkbox"/>	Rescission proposal	<input checked="" type="checkbox"/>
		Deferral proposal	<input type="checkbox"/>
Operational (affecting way programs are carried out)		Other legislation	<input checked="" type="checkbox"/>
		Administrative action	<input type="checkbox"/>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	123.5	-6.7	-6.7	-6.7
Outlays.....	120	-6.7	-6.7	-6.7

Suggested action: Propose legislation to allow administrative discretion for assigning safety and health inspections in surface mines and mines that operate only intermittently. This would allow DOL to reduce MSHA inspections by about 15,400 and inspection personnel by 270.

1979 Budget Reductions
Department of Labor: Mine Safety and Health Administration (MSHA)

Name of affected program:

Coal mine health and safety technical assistance and resident inspections

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<input type="checkbox"/>	Rescission proposal	<input checked="" type="checkbox"/>
		Deferral proposal	<input type="checkbox"/>
Operational (affecting way programs are carried out)	<input checked="" type="checkbox"/>	Other legislation	<input type="checkbox"/>
		Administrative action	<input type="checkbox"/>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 Base Total	1979	1980	1981
BA.....	123.5	-11.7	-11.7	-11.7
Outlays.....	120	-11.7	-11.7	-11.7

Suggested action: Reduce MSHA budget for coal mine inspections in excess of legal requirements for investigations that are not legally required that assist coal mine operators with technical problems, and for a special emphasis program of resident Federal inspectors in very hazardous mines. This would allow DOL to reduce MSHA inspections and investigations by about 37,200 and personnel by 470.

7-20-78

LVE

1979 Budget Reductions
Department of Labor: Departmental Management

Name of affected program:

Trade Adjustment Assistance (Federal Unemployment and Benefit Allowances)

(Check
one)Nature of action:Type of action required:

Substantive (affecting program) <u>x</u>	Rescission proposal	_____
	Deferral proposal	_____
Operational (affecting way programs are carried out)	Other legislation	<u>x</u>
	Administrative action	_____

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	240	--	-120	-200
Outlays.....	240	--	-120	-200

Suggested action: Propose legislation to eliminate this program of special cash benefits to workers the Secretary of Labor determines have suffered loss of employment due to increased imports. Workers would still collect regular unemployment insurance and be eligible for job search, training, etc., like other unemployed. Organized labor would strongly oppose elimination of the program, even though there is no evidence it helps workers adjust to the loss of work. (More than 75% of workers are back at work by the time they get their checks.) (Federal employment -154 FTP at end FY 80).

7-20-78
LVE

1979 Budget Reductions
Department of Labor: Departmental Management

Name of affected program:

Women's Bureau

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) <u>x</u>	Rescission proposal <u>x</u>
	Deferral proposal <u> </u>
Operational (affecting way programs are carried out) <u> </u>	Other legislation <u>x</u>
	Administrative action <u> </u>

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	2.5	-1.2	-2.5	-2.5
Outlays.....	2.5	-1.2	-2.5	-2.5

Suggested action: Eliminate. (-73 FTP). Function of the Women's Bureau is to increase the availability to women of apprenticeship and other nontraditional jobs through public relations activities and advocacy. Role has been assumed by legal enforcement under EEO laws and Executive Orders. Proposal to eliminate the organization would be strongly opposed by Women's groups.

STATE

Budget examiner: Kavaliunas

Telephone: 4580

1979 Budget Reductions
Department of State

Name of affected program: International Narcotics Control Assistance

Nature of action:

Type of action required:

Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	40	-5	--	--
Outlays (millions)	40	-3	-1	-1

Suggested action:

Requirements for aircraft and related support costs and communications equipment are not adequately justified for the program in Mexico. Recently increased 1978 obligations will finance some components budgeted for 1979. Lack of enforcement performance by the Bolivian government warrants reductions in the budgeted 1979 program for that country.

July 21, 1978

Budget examiner: W. Fee
 Telephone: 4580

1979 Budget Reductions
 Department of State

Name of affected program: Operation of consulates abroad (S&E)

Nature of action:

Type of action required:

Substantive (affecting program)	<u> </u>	Rescission proposal	<u> </u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> X </u>	Other legislation	<u> </u>
		Administrative action	<u> X </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	60	--	-1	-1
Outlays (millions)	58	--	-1	-1

Suggested action

Of the 120 American consulates abroad, close 12, representing small posts no longer of high priority. Savings are slight because staffs are small and some would have to remain to process consular workloads at the embassy. Foreign governments would object. Closing costs would equal savings in 1979. The 12 posts could be selected from the following 17: Belem, Porto Alegre, and Salvador, Brazil; Hermosillo, Matamoros, and Mazatlan, Mexico; Curacao, Neth. Antilles; Bremen, Germany; Goteborg, Sweden; Strasbourg and Nice, France; Oporto, Portugal; Salzburg, Austria; Mandalay, Burma; Songkhla, Thailand; Medan, Indonesia; Brisbane, Australia.

July 21, 1978

Budget examiner: Wm. Fee

Telephone: 4580

1979 Budget Reductions
Department of State

Name of affected program: Non-immigrant visas (S&E)

Nature of action:

Type of action required:

Substantive (affecting program)	<u>X</u>	Rescission proposal	<u> </u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u>X</u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	17	-1	-3	-3
Outlays (millions)	17	-1	-3	-3

Suggested action

Introduce legislation in next Congress to waive the requirement for non-immigrant visas for business and pleasure trips to the U.S. by citizens of 17 countries with large visa workloads and very low fraud and refusal rates (e.g., U.K., Japan). Would facilitate travel and reduce costs by 1/6 when savings are annualized in 1980. Would involve explaining to other countries why their citizens still need visas, and persuading Congress this step would not admit security risks or illegal aliens. First-year savings would be applied to 1979 pay supplemental.

Note: Proposed reorganization plan transfer of immigration policy, including regulation of visa issuance, to the Attorney General may indicate postponement of a decision on this matter until the Attorney General assumes responsibility and studies the question.

July 21, 1978

Budget examiner: Wm. Fee

Telephone: 4580

1979 Budget Reductions
Department of State

Name of affected program: User charges for consular services (Misc. receipts to the Treasury)

Nature of action:

Type of action required:

Substantive (affecting program)	<u> </u>	Rescission proposal	<u> </u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> X </u>	Other legislation	<u> X </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

			<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	Receipts		-13	-10	-48	-55
Outlays (millions)	Receipts		-13	-10	-48	-55

Suggested action

Raise immigrant visa fee from \$25 to \$75 to fully cover issuance costs, and raise passport fee from \$13 to \$20 to cover the cost of consular services now provided free to Americans overseas. Because immigrant visa and passport issuance fees are set by law, legislation would be required to set fees on a cost basis. Congressmen and organizations dealing with immigration and the U.S. traveling public might object, but the additional fees would represent only a small part of an individual's cost of emigrating or traveling abroad. Legislation would not achieve full annual effect until 1980.

July 21, 1978

Budget examiner: W. Fee

Telephone: 4580

1979 Budget Reductions
Department of State

Name of affected program: Travel (S&E)

Nature of action:

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) X

Type of action required:

Rescission proposal _____

Deferral proposal _____

Other legislation _____

Administrative action X

Budget effect (Change from Presidential proposals in Mid-Session Review):

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	50	-5	-5	-5
Outlays (millions)	48	-3	-5	-5

Suggested action

Reduce change of station travel by 10% through lengthening tours of duty abroad. Reduce other travel by 10%. (Travel of security and communications personnel would be exempt from the latter reduction.) Savings could reduce need for 1979 pay supplemental.

July 21, 1978

Budget examiner: W. Fee

Telephone: 4580

1979 Budget Reductions
Department of State

Name of affected program: Motor vehicles

Nature of action:

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) X

Type of action required:

Rescission proposal _____

Deferral proposal _____

Other legislation _____

Administrative action X

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	8	-1	-1	-1
Outlays (millions)	8	-1	-1	-1

Suggested action

Reduce purchase and operating costs by 10% by greater use of local overseas transportation systems, replacement of vehicles at higher mileage, and use of foreign vehicles where cheaper in terms of life-cycle costs. OMB study two years ago found need to tighten up motor vehicle operations. Savings would be applied to pay increase costs.

July 21, 1978

Budget examiner: W. Fee
 Telephone: 4580

1979 Budget Reductions
 Department of State

Name of affected program: Overseas staff housing (S&E)

Nature of action:

Type of action required:

Substantive (affecting program)	_____	Rescission proposal	_____
		Deferral proposal	_____
Operational (affecting way programs are carried out)	<u>X</u>	Other legislation	_____
		Administrative action	<u>X</u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	38	--	-1	-2
Outlays (millions)	38	--	-1	-2

Suggested action

Reduce scope and cost of housing units rented for Foreign Service employees abroad where these are larger than the U.S. Government would construct for them under approved space criteria. Recent GAO study finds that lack of central control has resulted in overseas posts' leasing or paying rental allowances for quarters with 10-20% more space than new construction criteria authorize. State plans to centralize control and will review leases as they are renewed. But it will take up to 10 years to renegotiate all leases and in some areas scarcity of acceptable housing may require retention of larger units. Estimate assumes leases can eventually be reduced 10%, rental allowances 5%.

July 21, 1978

Budget examiner: Wm. Fee

Telephone: 4580

1979 Budget Reductions
Department of State

Name of affected program: Construction and acquisition of offices and staff housing abroad

Nature of action:

Type of action required:

Substantive (affecting program)	<u> </u>	Rescission proposal	<u> </u>
		Deferral proposal	<u> X </u>
Operational (affecting way programs are carried out)	<u> X </u>	Other legislation	<u> </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	50	-13	-14	-17
Outlays (millions)	33	-4	-10	-15

Suggested action

Reduce construction and acquisition of new facilities (other than the new project in Moscow) 25% below projected levels. While reducing outlays in the short run, this would raise costs in the long run by losing planned savings in rentals through acquiring offices and housing. Both substantive and appropriations committees of the Congress have strongly supported the acquisition program.

July 21, 1978

Budget examiner: Kavaliunas
Telephone: 4580

1979 Budget Reductions
Department of State

Name of affected program: Special resettlement aid to East European refugees

Nature of action:

Substantive (affecting program) X

Operational (affecting way
programs are carried out) _____

Type of action required:

Rescission proposal _____

Deferral proposal X

Other legislation _____

Administrative action _____

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA (millions)	20	--	-10	-5
Outlays (millions)	15	-4	-5	-5

Suggested action

Pressures from Jewish organizations resulted in a \$20 million new program being initiated in the 1979 budget to assist the organizations in resettling Eastern Europeans in the United States. Reliance has been on private contribution in past except for special welfare programs for large influxes of Cubans and Indochinese. Primary reliance should continue on private contributions. A 25% reduction (\$5 million) in the proposed assistance is justified for this new marginal activity. Such a reduction would provoke objections from the Jewish organizations and some Members of Congress. (\$5 million would be deferred in 1979 resulting in a \$10 million reduction in BA in 1980 and \$5 million thereafter.)

TRANSPORTATION

Budget examiner: Geary And s
 Telephone: X5664

1979 Budget Reductions
 Department of Transportation
 Office of the Secretary

Name of affected program Office of the Secretary

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u> </u>	Rescission proposal	<u> X </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> X </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	33,335	-200	-	-
Outlays	33,335	-200	-	-

Suggested action

The 1979 budget proposed procurement of a "Secretarial Information Retrieval System" to replace current correspondence control equipment. Use of the current equipment could be extended with a savings of the \$200 thousand proposed for purchase of the new equipment.

Budget examiner; Geary Andrews
 Telephone: X4674

1979 Budget Reductions
 Department of Transportation
 U.S. Coast Guard

Name of affected program Marine Environmental Protection/Port Safety Programs

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review): (\$ in thousands)

	1979 Base Total	1979	1980	1981
BA	190,000	-2,000	-2,000	-2,000
Outlays	190,000	-2,000	-2,000	-2,000

Suggested action

Reduction in the number of routine patrols by small boats and aircraft to detect pollution incidents or harbor safety violations. These patrols have a "cop-on-the-beat" effect of reducing unlawful or unsafe behavior. Some diminution of this effect could take place without seriously detrimental effects.

Budget examiner: Geary Andrew

Telephone: X4764

1979 Budget Reductions
Department of Transportation
U.S. Coast Guard

Name of affected program Reserve Training

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u> </u>	Rescission proposal	<u> X </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> X </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review): (\$ in thousands)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	19,000	-1,000	-1,000	-1,000
Outlays	19,000	-1,000	-1,000	-1,000

Suggested action

Increase on-the-job training for drilling Coast Guard reserve personnel with corresponding decreases in formal classroom training at Yorktown Reserve Training Center or at other military training schools.

Budget examiner: Geary Andrew

Telephone: X4764

1979 Budget Reductions
Department of Transportation
U.S. Coast Guard

Name of affected program Contract Services

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u> </u>	Rescission proposal	<u> X </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> X </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review): (\$ in thousands)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	108,000	-5,000	-5,000	-5,000
Outlays	108,000	-5,000	-5,000	-5,000

Suggested action

Coast Guard's use of contract services has increased 20% since 1977, reflecting a greater reliance on contract services, primarily to overcome the effects of staffing ceilings. Reduction holds Coast Guard to the 1978 level, or 14% over 1977 level.

Budget examiner: G. Andreu
 Telephone: 4764

1979 Budget Reductions
 Department of Transportation
 U.S. Coast Guard

Name of affected program

Coast Guard Operations

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<input type="checkbox"/>	Rescission proposal	<input type="checkbox"/>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<input type="checkbox"/>	
Operational (affecting way programs are carried out)	<input checked="" type="checkbox"/>	Other legislation	<input checked="" type="checkbox"/>	
		Administrative action	<input type="checkbox"/>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	1,500	-1,500	-1,500	-1,500
Outlays	1,500	-1,500	-1,500	-1,500

Suggested action

This proposal would entail modernizing laws dealing with the documentation and measurement of vessels and with the documentation of seamen. Two controversial items of this proposal are recovery of fees for documentation of pleasure vessels and changing the procedures for dealing with seamen documentation (opposed by the seamen's unions). The proposed changes were originally requested in 1977, but received little support in Congress.

Budget examiner: J. Murphy
 Telephone: 4752

1979 Budget Reductions
 Department of Transportation
 Federal Aviation Administration

Name of affected program

Metropolitan Washington Airports (Operations & Maintenance)

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)		Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)		Other legislation	<u> </u>	
	<u>X</u>	Administrative action	<u>X</u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	23,858	-160	-160	-160
Outlays	23,878	-160	-160	-160

Suggested action

Savings of \$160,000 would be gained by eliminating two parking lots reserved exclusively for members of Congress, Supreme Court Judges, and foreign diplomats at National Airport. Reserved are 91 prime parking spaces at the main terminal and 9 at the north terminal. Police protection is required 16 hours per day. The public has strongly opposed the existence of these lots.

Budget examiner: Kenneth Schwartz

Telephone: X5664

1979 Budget Reductions
Department of Transportation
Federal Highway Administration

Name of affected program Territorial Highways

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	5,600	-5,600	-5,600	-5,600
Outlays	8,500	-1,200	-3,800	-4,800

Suggested action

Rescind Federal highway grant assistance to U.S. Territories on the basis that the Territories do not contribute taxes to the Highway Trust Fund and therefore should not receive Federal highway assistance.

Budget examiner: Kenneth Schwa.
 Telephone: X5664

1979 Budget Reductions
 Department of Transportation
 Federal Highway Administration

Name of affected program Highway Research and Development

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	_____	Rescission proposal	_____	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u>X</u>	
Operational (affecting way programs are carried out)	<u>X</u>	Other legislation	_____	
		Administrative action	<u>X</u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	900	--	--	--
Outlays	300	--	--	--

Suggested action

Defer architectural and engineering planning and site preparation associated with construction of a \$6,550 thousand addition to the Fairbank Highway Research Station at Langley, Va. Since this is funded through "take-downs" on other highway grant accounts, there is no dollar savings overall. The funds "saved" will, in effect, be spent by states for highway construction.

Budget examiner: Kenneth Sci tz

Telephone: X5664

1979 Budget Reductions
Department of Transportation
Federal Highway Administration

Name of affected program Highways Crossing Federal Projects (Tennessee-Tombigbee Bridges)

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	16,000	-16,000	-14,000	--
Outlays	17,900	- 3,200	- 9,000	-11,000

Suggested action

Rescind the 1979 highway assistance proposed for bridge construction associated primarily with construction of the Tennessee-Tombigbee Waterway. When the waterway was originally authorized, the involved states and local communities indicated that they would assume 100% of the costs associated with bridge construction and reconstruction. (Note: \$70 million has already been appropriated for this program).

Budget examiner; Geary Andrew.

Telephone: X4764

1979 Budget Reductions
Department of Transportation
National Highway Traffic Safety Administration

Name of affected program National Driver Register (NDR)

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u> </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u>X</u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	1,600	-1,000	-1,600	-1,600
Outlays	1,600	-1,000	-1,600	-1,600

Suggested action

A recent GAO report indicated that this program was not effective and little used by the States. In addition, the report indicated that some States were calling other States directly to obtain information on the status of particular drivers, in preference to using the computerized NHTSA system. A change in legislation is needed to remove the requirement for maintaining the NDR.

Budget examiner: Geary Andrews

Telephone: X4764

1979 Budget Reductions
Department of Transportation
National Highway Traffic Safety Administration

Name of affected program Automobile Rating System

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)		Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	1,500	-1,500	-500	--
Outlays	1,500	-1,500	-500	--

Suggested action

Terminate efforts designed to develop a consumer oriented rating system for automobiles based on relative crashworthiness, damageability and repairability. The NHTSA Administrator is committed to consumer programs and would oppose any reduction. We believe, however, this type of consumer program is not a critical Federal responsibility.

Budget examiner: Michael Driggs

Telephone: 4752

1979 Budget Reductions
Department of Transportation
Federal Railroad Administration

Name of affected program Rail Safety

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	_____	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	_____	
Operational (affecting way programs are carried out)	<u>X</u>	Other legislation	_____	
		Administrative action	_____	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	24,155	-5,100	--	--
Outlays	25,351	-1,020	4,080	--

Suggested action

Delete the purchase of a fifth automatic track inspection vehicle. Although redundant capability would be lost, the current four vehicles would still allow annual inspection of 75% of the nation's track annually.

Budget examiner: Michael Driggs

Telephone: X4752

1979 Budget Reductions
Department of Transportation
Federal Railroad Administration

Name of affected program Rail Research and Development

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>
Substantive (affecting program)	_____	Rescission proposal
		Deferral proposal
Operational (affecting way programs are carried out)	<u>X</u>	Other legislation
		Administrative action

(Check
one)

X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	15,950	-500	-500	-500
Outlays	15,000	-450	-500	-500

Suggested action

Activity at the rail dynamics laboratory would be cut back. Planned rail-wheel interaction experiments could still be performed at the recently operational Facility for Accelerated Service Testing at the same location.

Budget examiner: M. Driggs
 Telephone: 4752

1979 Budget Reductions
 Department of Transportation
 Federal Railroad Administration

Name of affected program

Rail Service Assistance

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u>X</u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	67,000	-30,000	-30,000	-30,000
Outlays	67,000	-30,000	-30,000	-30,000

Suggested action

Operating subsidies to retain uneconomic rail branchlines in service would be eliminated. Substantive legislation would also be required to allow complete abandonment of those lines. This proposal, however, would be contrary to an Administration bill now before Congress which provides two year operating subsidies for branchlines.

Budget examiner: Nick Stoe.

Telephone: X4752

1979 Budget Reductions
Department of Transportation
Urban Mass Transportation Administration

Name of affected program Accessibility to the Handicapped--TransBus

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u> </u>	Rescission proposal	<u> </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u>X</u>	
Operational (affecting way programs are carried out)	<u>X</u>	Other legislation	<u>X</u>	
		Administrative action	<u>X</u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA*.....	30,000	-30,000	-30,000	-30,000
Outlays	5,000	-5,000	-5,000	-5,000

* Figures shown are obligations. No net reduction of budget authority.

Suggested action

HEW legislation/regulations require retrofit of federally-funded public transit systems to provide accessibility to the handicapped. This retrofit is estimated to cost \$1,700 million in 1977 dollars, primarily associated with the N.Y. subway system. These costs would presumably have to be absorbed within UMTA programs. COWPS is currently studying this issue. Reductions shown entail elimination of the accessibility to the handicapped legislative and administrative requirements.

Defer indefinitely plans to mandate a low-floor, ramp or elevator equipped bus. The \$30M is the incremental cost (\$10,000 per unit for 3,000 units) in 1979. The buses currently being sold (so-called Advanced Design Buses) were just put into production in 1977. They are just fine for urban transit. The special needs of severely handicapped can be taken care of by alternate means. Secretary Adams, however, is personally committed to getting a TransBus in production.

Budget examiner: Nick Stoer

Telephone: X4752

1979 Budget Reductions
Department of Transportation
Urban Mass Transportation Administration

Name of affected program University Research

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	2,000	-2,000	-2,000	-2,000
Outlays	2,000	- 800	-1,500	-2,000

Suggested action

Rescind grants which support university programs which support professional training in urban transportation and related fields.

Budget examiner: N. Stoer

Telephone: 4752

1979 Budget Reductions
Cross Agency Issue

Name of affected program

Federal employee parking subsidies

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u> </u>	Rescission proposal	<u> </u>	
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u>X</u>	Other legislation	<u> </u>	
		Administrative action	<u>X</u>	

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	5,000	-5,000	-5,000	-5,000
Outlays	5,000	-5,000	-5,000	-5,000
Receipts	0	+30,000	+30,000	+30,000

Suggested action

In metropolitan areas where Federal employees are provided government-owned or leased parking spaces at a cost below prevailing private market rates, institute a cost recovery program by issuing an OMB Circular. Budget impact would be higher if legislative branch was also included. This proposal would affect about 150,000-175,000 Federal employees. All others work in suburban locations, take transit to work, or pay for commercial parking spaces. D.C. government supports such a proposal.

Budget examiner: Bruce Johnson
 Telephone: X4764

1979 Budget Reductions
 Department of Transportation
 Research & Special Programs Administration

Name of affected program R&D Activities

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	24,400	-575	-575	-575
Outlays	19,300	-575	-575	-575

Suggested action

Reduce R&D by \$575K, holding University Research Grant program and advanced system technology research to 1978 levels. This would not allow any increase to offset the effect of inflation.

TREASURY

Budget Examiner Stuart Smith

Telephone x4620

1979 Budget Reductions
Department of the Treasury

Name of affected program

Firearms Enforcement; Bureau of Alcohol, Tobacco and Firearms

Nature of action:

(Check
one)

Substantive (affecting program)

X

Operational (affecting way
programs are carried out)

Type of action required:

Rescission proposal

Deferral proposal

Other legislation

Administrative action

(Check
one)

X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	\$6.6	-\$3.0	-\$6.3	-\$6.6
Outlays.....	\$6.5	-\$3.0	-\$6.3	-\$6.5

(250 positions)(-250 positions)

Suggested action

Eliminate the special "Concentrated Urban Enforcement (CUE)" firearms program. The CUE program was begun in 1976. After two-years of experience with this effort the results are mixed. However, in total, program results have not demonstrated that CUE is an overall success. The suggested action would approximate a 10% reduction in the Federal firearms area.

Budget Examiner Stuart Smith

Telephone x4620

1979 Budget Reductions
Department of the Treasury

Name of affected program

Air Interdiction; United States Customs Service

<u>Nature of action:</u>	<u>(Check one)</u>	<u>Type of action required:</u>	<u>(Check one)</u>	
Substantive (affecting program)	_____	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
Operational (affecting way programs are carried out)	<u>X</u>	Deferral proposal	_____	
		Other legislation	_____	
		Administrative action	_____	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	\$4.5	-\$4.5	--	--
Outlays.....	\$4.5	-\$4.5	--	--

Suggested action

Eliminate the currently requested high performance aircraft to be used in drug smuggling interdiction.
The Department of the Treasury is about to launch a study, at OMB's request, on drug smuggling threat levels and options designed to meet this threat. Additionally, the Office of Drug Abuse Policy is currently involved in an overall drug initiative review. Further acquisition of aircraft by the Customs Service should await these comprehensive investigations. While we do not envision that the suggested action would significantly effect the level of drug smuggling, Congress and others may charge that the Administration was "abandoning" the southwest border and southern Florida to smuggling by air.

Budget Examiner James Jordan

Telephone x4620

1979 Budget Reductions

Department of Treasury

Name of affected program

Public Relations Programs

Nature of action:

(Check
one)

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) X

Type of action required:

Rescission proposal _____

Deferral proposal _____

Other legislation _____

Administrative action _____

(Check
one)

X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	\$.4	-\$.2	-\$.2	-\$.2
Outlays4	-\$.2	-\$.2	-\$.2

Suggested action

Reduce public relations activities by approximately 50%. Suggested actions include eliminating in-house publications by 25%; closing the museums in the Customs Service and the Bureau of Alcohol, Tobacco and Firearms; reducing printing, reproduction and postage by eliminating optional press releases and purifying the mailing lists to eliminate duplication and exclude individuals who no longer need the information.

Budget Examiner E. B. Fryck

Telephone x4620

1979 Budget Reductions

Department of the Treasury

Name of affected program

Processing and accounting for savings and retirement securities, Bureau of the Public Debt

Nature of action:

(Check
one)

Type of action required:

(Check
one)

Substantive (affecting program) X

Rescission proposal

Deferral proposal

Other legislation

Administrative action X

Operational (affecting way
programs are carried out)

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	133.9	-1.6	-12.0	-15.0
Outlays.....	133.9	- .5	-12.1	-15.0

Suggested action

Eliminate the \$25 denomination of Series E savings bonds, assuming an effective date of July 1, 1979, (the earliest possible date*).

Savings in administering the program should be significant without loss in total amount invested in savings bonds. In terms of buying power a \$25 bond is worth less than half its value when first issued. Some will object that elimination of the \$25 bond will increase the difficulty of enrolling people in the payroll savings plans and that it will discriminate against the "little guy" (even though he can save thru savings bonds just as easily by getting a \$50 bond half as often).

*May not be possible to effectuate the change before January 1, 1980.

Budget Examiner James JordanTelephone x4620

1979 Budget Reductions

Department of Treasury

Name of affected program

Alteration of space in the Internal Revenue Service and the Customs Service

Nature of action:(Check
one)

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) _____

X

Type of action required:

Rescission proposal

Deferral proposal

Other legislation

Administrative action

(Check
one)

X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for eachBudget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	\$8.3	-\$2.1	-\$2.1	-\$2.1
Outlays.....	\$8.3	-\$2.1	-\$2.1	-\$2.1

Suggested action

Reduce the funds for space alteration in the Internal Revenue Service and Customs Service by 25%. Expected benefits are a reduction of \$ 2M. In addition, the action would put more pressure upon GSA to perform these repairs and alterations quickly. Currently GSA will pay for these repairs from the GSA building fund; however, according to some agencies, GSA is too slow in making the repairs and alterations. Some agencies, such as IRS and Customs, have therefore directly funded these repairs. This action would probably also improve the management of space alterations by these bureaus in order to fund only the highest priority projects. Adverse effects are the deferral of some needed space alterations and inefficiencies resulting from that action.

Budget Examiner James Jordan

Telephone x4620

1979 Budget Reductions

Department of Treasury

Name of affected program

Training Programs in the Internal Revenue Service and Customs

Nature of action:

(Check
one)

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) X

Type of action required:

Rescission proposal
Deferral proposal
Other legislation
Administrative action

(Check
one)

X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	\$22.3	-\$3.5	-\$3.5	-\$3.5
Outlays.....	\$22.3	-\$3.5	-\$3.5	-\$3.5

Suggested action

Optional training programs in IRS would be reduced by 50%, eliminating much of the training with little direct effect upon the employees work. Mandatory training (i.e., new employees and required refresher training) would not be affected. Expected benefits are a savings of \$1.9M annually. Adverse effects are a loss in employee morale.

The Customs Service Training Center in Washington, D.C. would be closed. Custom's law enforcement trainees would be switched to the Federal Law Enforcement Training Center; other trainees would use the IRS Regional Training Centers. Expected benefits are savings of \$1.6M annually and the consolidation of training with other law enforcement officers. Adverse effects are less esprit de corps within Customs and less interest in training by top management.

Budget Examiner Stuart SmithTelephone x4620

1979 Budget Reductions

Department of the Treasury

Name of affected program

Foreign Mission Protection: United States Secret Service

Nature of action:(Check
one)Type of action required:(Check
one)Substantive (affecting program) X

Rescission proposal

Deferral proposal

Other legislation

Administrative action

Operational (affecting way
programs are carried out) _____Note: If two
or more kinds of
actions are needed,
identify dollar
amount for eachBudget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	\$10.8	-\$2.7	-\$5.4	-\$5.4
Outlays.....	10.6	-\$2.7	-\$5.4	-\$5.4

(527 positions) (-264 positions)

Suggested action

Reduce by 50% the size of that portion of the Uniformed Division which protects foreign missions. The objective of the Foreign Missions Division is to protect the physical structure (i.e., building) at foreign missions vis-a-vis the protection of the person of a foreign dignitary. A review of the program statistics indicates a low risk/threat level against foreign missions. In effect, we see foreign mission protection as a federal effort aimed against street crime. As a result, OMB believes that the primary responsibility for such protection rests with the local, D.C. police force except, perhaps, for a few critical locations. Concomitant with this reduction, we see an increased use of technical security/intrusion systems installed by the foreign delegations for added protection. An alternative to an immediate 50% reduction would be the gradual phase-out of personnel over a three year period. Since the Uniformed Division has a historical attrition rate of 9%, they should be able to reduce about 80 slots per year without a RIF. Two caveats: (1) should the elimination of the Treasury Security Force also be selected as an option, the Service would be forced into a RIF position in 1979; (2) one would expect strong pressure from foreign delegations and the State Department not to make these reductions.

Budget Examiner Stuart SmithTelephone x4620

1979 Budget Reductions

Department of the Treasury

Name of affected program

Protection of the Treasury Building: United States Secret Service

Nature of action:(Check
one)Type of action required:(Check
one)

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) _____

X

Rescission proposal _____

Deferral proposal _____

Other legislation _____

Administrative action _____

X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for eachBudget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	\$1.2	-\$0.9	-\$0.7	-\$0.6
Outlays	\$1.2	-\$0.6	-\$0.7	-\$0.6

(78 positions)(-78 positions)

Suggested action

Eliminate the Treasury Security Force. The main objectives of the Treasury Security Force (TSF) are: to enforce the law, to maintain a safe environment for all Treasury employees and to protect valuables within the Treasury Building. OMB suggests that these objectives can be fulfilled by a private security firm more cheaply than by the TSF. On a net basis, we project 40 - 50% dollar savings. With the closing of the "Cash Room" in the main Treasury building most of the large sums of money once held have been removed; monies and securities used by Public Debt in the Treasury complex are housed behind security systems and in vaults. Current TSF employees would not have to be fired but rather could be absorbed by the Service's Uniformed Division in a phase-out period (if the option for reducing the size of that force is not also selected).

EPA

Environmental Protection Agency

Potential FY 1979 Reductions
(dollars in millions)

	<u>BA</u>	<u>1979</u> <u>Outlays</u>
No policy difference or estimating difference	-500	0

Construction grants

Reduce wastewater treatment construction grants BA from \$4.5 billion to \$4.0 billion. Outlays would decrease by \$160 million in FY 1980, \$210 million in FY 1981 and \$130 million in FY 1982.

Environmental Protection Agency
OMB Ranking of Potential Reductions
(\$ in thousands BA)

	<u>1979 Base</u>	<u>1979 Reduction</u>	<u>1980 Reduction</u>	<u>1981 Reduction</u>
<u>Waste or Overhead Elimination</u>				
International Travel	700	-300	-300	-300
Office of Transportation Land Use Planning	750	-750	-750	-750
Pesticide Certification and Training Grants	2,000	-2,000	-2,000	-2,000
Domestic Travel	15,000	-2,200	-2,200	-2,200
International Affairs Program .	1,000	-300	-300	-300
Air and Water Quality Training.	6,000	-4,000	-6,000	-6,000
Toxics Regional Program Positions	1,150	-600	-600	-600
Air Planning Positions	6,860	-500	-500	-500
Pesticides Regional Positions .	<u>1,000</u>	<u>-450</u>	<u>-450</u>	<u>-450</u>
Subtotal	34,460	11,100	13,100	13,100

	<u>1979 Base</u>	<u>1979 Reduction</u>	<u>1979 Reduction</u>	<u>1981 Reduction</u>
<u>Program Reductions</u>				
Construction Grants.....	4,500,000	-500,000	-500,000	-500,000
Solid Waste Planning Grants	12,000	-12,000	-12,000	-12,000
Air Studies.....	1,700	0	-1,700	-1,700
Resource Recovery Planning Grants.....	15,000	0	-5,000	-5,000
Truck Study (Air).....	5,125	-5,125	-5,125	-5,125
Noise Program.....	10,600	-1,000	-3,000	-5,000
SAO.....	<u>4,000</u>	<u>-2,000</u>	<u>-2,000</u>	<u>-2,000</u>
Subtotal.....	4,548,425	520,125	528,825	530,825
	<hr/>	<hr/>	<hr/>	<hr/>
Grand Total.....	4,582,885	531,225	541,925	543,925
EPA FY 1979 Base.....	5,675,000			
% of Base.....		.10	.10	.10

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

International Travel

Nature of action:Type of action required:

Substantive (affecting program) _____

Rescission proposal

x (79)Operational (affecting way
programs are carried out) _____

Deferral proposal

Other legislation

Administrative action

x (80, 81)Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979	(\$ in thousands)		
	<u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	\$700	-300	-300	-300
Outlays.....	700	-300	-300	-300

Suggested action

The agency's travel plan projects that \$600 thousand will be expended in international travel (Canadian travel excluded) during fiscal year 1979. We recommend that 43% of this travel be disallowed. Much of the travel is not related to resolving environmental problems directly affecting the U.S. Instead it could be characterized as public relations and "government paid" vacations for EPA officials. This reduction will force the agency to screen and prioritize international activities more efficiently and limit the number of support personnel allowed to travel with agency officials to international conferences of significance to the U. S. environmental program. The only impact would be less representation at conferences of little significance to U. S. Environmental policy. Further reductions may be recommended following OMB review of the 1980 travel plan.

Budget examiner: RobsonTelephone: X682

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

Office of Transportation and Land Use Planning, Air Programs

Nature of action:Type of action required:

Substantive (affecting program) _____	Rescission proposal	<u>x</u> (79)
	Deferral proposal	_____
Operational (affecting way programs are carried out) <u>x</u>	Other legislation	_____
	Administrative action	<u>x</u> (80, 81)

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979	(\$ in thousands)		
	<u>Base</u> <u>Total</u>	1979	1980	1981
BA.....	750	-750	-750	-750
Outlays.....	375	-375	-750	-750

Suggested action

Abolish the Office of Transportation and Land Use Planning in the air programs. This office is currently involved in developing guidelines for transportation and land use measures for air quality implementation plans. The responsibility for the most important measure, inspection and maintenance, has already been transferred to the DAA for air mobile sources programs.

The need for additional measures is much less than previously considered due to legislative changes and proposed changes in ambient air quality standards. Also, existing measures will provide, in most cases, needed air quality improvements. This office is therefore unnecessary. Its residual functions could be transferred to the DAA for mobile sources.

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

State Certification and Training Grants (Pesticide)

Nature of action:Type of action required:

Substantive (affecting program)	<u>x</u>	Rescission proposal	<u>x (79)</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>
		Administrative action	<u>x (80, 81)</u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979	(\$ in thousands)		
	<u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	\$2,000	-2,000	-2,000	-2,000
Outlays.....	\$1,500	-1,500	-2,000	-2,000

Suggested action

Our recommendation is that the grant program be terminated. This grant was intended as seed money for States which assumed primacy for the training and certification of restricted use pesticides. All regulations and agency policy statements have consistently stated that this program would be terminated after the States had developed their programs. With the exception of two States, all of the States have done so and EPA is operating the program in the two States that didn't seek primacy.

Obviously, the States want the grant to continue this program citing the fiscal crunch as their rationale. OMB (in response to State inquiries) has written that this contingency is being considered but stated that continuation of this grant has never been seriously contemplated.

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

Domestic Travel

Nature of action:Type of action required:

Substantive (affecting program) _____

Rescission proposal _____

x (79)Operational (affecting way
programs are carried out) _____

Deferral proposal _____

Other legislation _____

Administrative action _____

x (80,81)Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979	(\$ in thousands)		
	Base Total	1979	1980	1981
BA.....	\$15,000	-2,200	-2,200	-2,200
Outlays.....	\$15,000	-2,200	-2,200	-2,200

Suggested action

The Agency will have \$15 million available for domestic travel in FY 1979. This represents an overall 6% growth rate per year since 1976. The major increases of questionable priority have occurred in the agency management account and the abatement and control account. We recommend a 15% reduction in the agency's domestic travel allotment. The distribution of the cut to be specified as an approximately 25% reduction in both the agency and regional management account and the abatement and control account. Headquarters travel is the focus of the reduction. Given the resource constraints, it is not critical that large numbers of headquarters personnel attend all of the agency's public hearings and conferences. More reliance on the regional staff would obviate the need for that travel.

Budget examiner: C. M. Kinghorn

Telephone: 6827

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

EPA: International Affairs Program

Nature of action:

Type of action required:

Substantive (affecting program)	<u>x</u>	Rescission proposal	<u>x (79)</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>
		Administrative action	<u>x (80,81)</u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979	(\$ in thousands)		
	<u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	1,000	-300	-300	-300
Outlays.....	1,000	-300	-300	-300

(Also results in elimination of 15 positions from a base of 29)

Suggested action

A reduction from 29 positions to 14 positions in this program would have little or no effect on major EPA pollution abatement programs. It would have an effect to some extent on the international relations associated with EPA programs. However, as a non-regulatory, non-research, non-abatement and control program, these resources cannot be judged critical to the Agency's overall mission.

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

EPA: Air and Water Quality Training

Nature of action:Type of action required:

Substantive (affecting program)	<u> x </u>	Rescission proposal	<u> x (79) </u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>
		Administrative action	<u> x (80,81) </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979	(\$ in thousands)		
	Base Total	1979	1980	1981
BA.....	6,000	-4,000	-6,000	-6,000
Outlays.....	6,000	-4,000	-6,000	-6,000

Suggested action

This proposal would eliminate over 2 years the air training program (\$1M) and the construction grants training and manpower planning programs (\$5M). Training of State air program staff is a relatively insignificant program within the agency; construction grants training and manpower planning program was ranked very low in last year's budget process. Most of the training portions could be supplanted by existing CETA funding if the community felt such training was high enough priority.

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

Toxic Substances Regional Program

Nature of action:Type of action required:

Substantive (affecting program) _____

Rescission proposal

x (79)

Deferral proposal _____

Operational (affecting way
programs are carried out) x

Other legislation _____

Administrative action

x (80, 81)Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979	(\$ in thousands)		
	Base Total	1979	1980	1981
BA.....	\$1,150	-600	-600	-600
Outlays.....	862	-462	-462	-462

Suggested action

The FY 1977 Presidential allowance provided 10 positions for the regions. No increase was provided for 1978 but the agency reprogrammed 20 additional positions for regional participation. On appeal last fall, EPA was provided 36 positions (for a total regional workforce of 46). Our recommendation is to cut 24 positions (\$650K in BA and Outlays) from the 1979 base. Five positions for regions 2,5, and 10 would be allowed and one position for the other regions.

With the exception of those 3 regions which generate the overwhelming majority of toxic chemicals in the U.S., the other regions require toxic coordinators only to answer the non-technical (procedural) questions which routinely flow into the regional offices.

Budget examiner: RobsonTelephone: X6827

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

Air Quality Planning Program

Nature of action:

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) _____XType of action required:

Rescission proposal _____

Deferral proposal _____

Other legislation _____

Administrative action _____

x (79)X (80, 81)Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979	(\$ in thousands)		
	<u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	6,860	-500	-500	-500
Outlays.....	3,430	-250	-500	-500

Suggested action

Decrease the air quality strategies implementation function by 20 positions. There were approximately 40 added to the existing base of 256. Subsequent examination of workload indicates that these positions are not completely necessary, and that they could be reduced.

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

Pesticide Regional Program

Nature of action:

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) _____xType of action required:

Rescission proposal _____

Deferral proposal _____

Other legislation _____

Administrative action _____

x (79)x (80, 81)Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979	(\$ in thousands)		
	<u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	\$1,000	-450	-450	-450
Outlays.....	1,000	-450	-450	-450

Suggested action

The 1979 Presidential allowance reduced the pesticide regional workforce from 75 FTPs to 30. Internally, the agency analyzed the programmatic guidance included in the advice of allowance and reestimated this number to 40. Subsequent review of the regional workload estimates leads us to recommend a further reduction of 8 FTP's from the total regional work for to 22. The new distribution will be four positions from region 4 and 5, three in region 9, and one in other regions.

This amounts to a termination of regional activities due to the termination of the State grant program and new efficiencies to be gained as a result of the generic standards process relationship to the registration and rebuttable presumption process. The agency will vehemently argue that the States will be too independent if this reduction is implemented and as a result very poor decisions on special use will be made.

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

EPA; Construction Grants

Nature of action:Substantive (affecting program) xOperational (affecting way
programs are carried out) Type of action required:Rescission proposal x (79)Deferral proposal Other legislation Administrative action x (80, 81)Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	(\$ in thousands)		
		1979	1980	1981
BA.....	4,500	-500,000	-500,000	-500,000
Outlays.....	3,900	-0	-160,000	-210,000

Suggested action

Reduce the construction grants program level from \$4.5B to \$4.0B per year. At the current time, the program is having great difficulty in meeting its expected outlay estimates. It is quite evident that a program level at the \$4.0B level will result in a more stable obligation and outlay stream. It might prevent extremely high end of year obligation rates by those grantees who have received funds at a rate too great to utilize effectively.

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

State Solid Waste Planning Grants

Nature of action:Type of action required:

Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>x (79)</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>
		Administrative action	<u>x (80, 81)</u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	(Dollars in thousands)		
		<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	12,000	-12,000	-12,000	-12,000
Outlays.....	8,000	-8,000	-12,000	-12,000

Suggested action

This grant program would be terminated. If this recommendation were selected States would have to support development and maintenance of State regulatory programs for non-hazardous either with State funds or by utilizing the 30% "flexi-money" included under the proposed consolidated grant legislation. There will be intense pressure from the States, localities and Congress to fund the program. However, from our standpoint, the actual differences between the objectives the residuals management component of the 208 program, and essentially local nature of non-hazardous waste management programs mitigate against this program being a high priority in FY 1979.

Budget examiner: RobsonTelephone: 6827

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

Air Special Studies

Nature of action:Type of action required:

Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>x (79)</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>
		Administrative action	<u>X (80, 81)</u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	(\$ in thousands)		
		<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	1,700	-0	-1,700	-1,700
Outlays.....	850	-0	-850	-1,700

Suggested action

Subtract funding given in FY 1979 for special studies which could be completed by FY 1980 in the air programs.

Budget examiner: O'BannonTelephone: 6827

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

State Resource Recovery Planning Grants

Nature of action:Substantive (affecting program) x Operational (affecting way
programs are carried out) Type of action required:Rescission proposal Deferral proposal Other legislation Administrative action x (80,81) Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	(\$ in thousands)		
		<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	15,000	0	-5,000	-5,000
Outlays.....	7,500	0	-1,250	-5,000

Suggested action

This grant program would be reduced by \$10 million thru 1981; this program was a part of the President's Urban Message and together with DOE's program will deliver the programmatic goals outlined in the initiative. However, only the communities which are committed to constructing a facility are likely to receive funds as opposed to the much larger number of communities interested in studying the feasibility.

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

Mobile Source Program

Nature of action:Type of action required:

Substantive (affecting program)	<u>x</u>	Rescission proposal	<u>x (79)</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>
		Administrative action	<u>x(80, 81)</u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	5,125	-5,125	-5,125	-5,125
Outlays.....	2,563	-2,563	-5,125	-5,125

Suggested action

The 1979 budget included 5,125 for a study to develop heavy duty truck emission standards, as required in the Clean Air Act Amendments. The Act, however, provides for an interim means of determining the standards which would allow the actual standards from the study results to be completed at EPA's discretion. It is possible, however, that EPA would argue strongly that it is legally necessary to complete the study. In this case, funding is required only in FY 1979 and could be removed in FY 1980.

Budget examiner: R. J. Riggs

Telephone: 6827

1979 Budget Reductions
Environmental Protection Agency

Name of affected program

Noise

Nature of action:

Type of action required:

Substantive (affecting program)

x

Rescission proposal

x (79)

Deferral proposal

Other legislation

Operational (affecting way
programs are carried out)

Administrative action

x (80, 81)

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA.....	10,600	-1,000	-3,000	-5,000
Outlays.....	10,600	-500	-2,000	-5,000

Suggested action

Investigation of economic and technological bases of regulation development and research on health effects will be phased out. No new studies of industrial equipment will be initiated.

Final promulgation of labeling regulations on consumer products will be completed.

Promulgation of emission regulations for outdoors noise sources will be cut back to one or two of the most significant sources. Demonstration projects on the internal combustion engine, tire, and quiet trucks will be phased out.

The Each Company Helps Others and Quiet Community Programs will be slowed down. Approximately 10 communities will be effected.

Noise source registry evaluation efforts will stop.

GSA

1979 Budget Reductions
GENERAL SERVICES ADMINISTRATION

Anne Hammill
Ext. 6158/

Name of affected program:

<u>Nature of action:</u>	(Check one)		(Check one)
Substantive (affecting program)	_____	Rescission proposal	_____
		Deferral proposal	_____
Operational (affecting way programs are carried out)	X	Other legislation	_____
		Administrative action	X

Budget effect (Change from Presidential proposals in Mid-Session Review): (In thousands)

	1979 Base Total	1979	1980	1981
BA	302,693	-3,540 ^{1/}	-100 ^{2/}	-100 ^{2/}
Outlays	238,124	-8,740	-400	-400

1/ An additional \$5,200K is a limitation on new obligational authority in the Federal Buildings Fund (FBF).

2/ An additional \$300K is a limitation on new obligational authority, FBF.

Suggested action:

A. Employment reductions - 600 persons

PBS	-	400	11K	4,400K
FSS	-	50	15K	750K
NARS	-	50	17K	850K
OAD	-	70	16K	1,120K
OGC	-	10	22K	220K
Other	-	20	15K	300K
				<u>7,640K</u>

Reduce employment based on current vacancies to phase into the 1980 reduced FTE ceiling. The agency currently has 1,320 vacancies.

B. Travel reductions

FSS	-	\$300K
PBS	-	\$800K

Reduction of \$800K in PBS travel funds reduces the program to the 1977 level of \$2,120K. Reduction of \$300K in FSS reduces travel to \$1,100K, the 1978 level of funding.

NASA

Budget Examiner: Memphis Norman

Telephone: X-4534

1979 Budget Reductions
National Aeronautics and Space Administration

Name of affected program:

Space Research and Technology (Advanced Technology)

<u>Nature of action:</u>	(check one)	<u>Type of action required:</u>	(check one)
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>
Operational (affecting way programs are carried out)	<u> </u>	Deferral proposal	<u> </u>
		Other Legislation	<u> </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

		(in millions of \$)		
	1979			
	<u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	111	-6	-5	-5
Outlays	109	-4	-5	-5

Suggested action:

This program provides a technology base to support current and future near-term and long-term NASA space flight missions. The major long-term emphasis in the program is on the development of information systems, power sources, and structures for advanced future satellites (e.g., planetary probes), transportation systems (e.g. advanced space shuttle concepts, and earth-orbiting tugs), and large structures in space for world-wide communications and solar power sources. The reduction suggested by ESD staff in this area is designed largely to slow down the pace of technology development related to future long-term programs such as large structures, and advanced shuttles. These types of programs are not likely to be undertaken until the far distant future.

Budget Examiner: Memphis Norman

Telephone: X-4535

1979 Budget Reductions
National Aeronautics and Space Administration

Name of affected program:

Space Science (Supporting Research and Technology Programs)

<u>Nature of action:</u>	(check one)	<u>Type of action required:</u>	(check one)
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other Legislation	<u> </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

(in millions of \$)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	247	-7	-5	-5
Outlays	240	-6	-5	-5

Suggested action:

In this program NASA conducts unmanned space flight missions to the planets and performs astronomy investigations from earth-orbit. NASA maintains a rather sizeable ground-based research effort to: (1) develop scientific experiments for future flight projects, (2) conduct laboratory and theoretical research as part of the scientific effort, and (3) analyze data (information) from flight projects. NASA also conducts a large research effort in life sciences which includes studies of the effects of space on humans (e.g. bone calcium loss), and the existence of life in the Universe. The reduction suggested by ESD would modify the pace of development of experiments for future flight missions consistent with their probable timing (e.g. experiments for Spacelab), and experiments in the life sciences.

Budget Examiner: Memphis Norman

Telephone: X-4535

1979 Budget Reductions
National Aeronautics and Space Administration

Name of affected program:

Space Flight (Development, Test, and Mission Operations)

<u>Nature of action:</u>	(check one)	<u>Type of action required:</u>	(check one)
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other Legislation	<u> </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

		(in millions of \$)		
	1979			
	<u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	163	-5	-5	-5
Outlays	179	-5	-5	-5

Suggested action:

NASA maintains an in-house engineering base (including a large number of support contractors) at Huntsville, Alabama, Houston, Texas, and the Kennedy Space Center, Florida to support the development of the Space Shuttle and other development projects such as the Spacelab, the reusable tug, and several unmanned programs. The major portion of this engineering support is allocated to the Space Shuttle which is nearing the completion of its development phase--development will be completed in 1981. ESD staff is suggesting that reductions be made in this program area as the engineering support requirement for the Shuttle continues to decline.

VA

1979 Budget Reductions

Name of affected program: Veterans Administration
 All programs involving staff administrative travel

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) _____	Rescission proposal _____
	Deferral proposal _____
Operational (affecting way _____)	Other legislation _____
programs are carried out) <u>X</u>	Administrative action <u>X</u>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
 (\$ in millions)

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	19,667	-1	-1	-1
Outlays.....	19,756	-1	-1	-1

Suggested action

Restrict VA staff travel to that which is necessary to carry out the medical and benefits programs. This would reduce education and conference travel but would not affect travel required for relicensure, recertification or accreditation functions. It would allow all program travel to continue.

1979 Budget Reductions

Name of affected program: Veterans Administration
 Medical Care

(Check
 one)

Nature of action:

Type of action required:

Substantive (affecting program) _____	Rescission proposal _____
	Deferral proposal _____
Operational (affecting way _____	Other legislation _____
programs are carried out) <u>x</u>	Administrative action <u>x</u>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
 (\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	5,169	--	--	--
Outlays.....	5,166	--	--	--

Suggested action Require that VA reorganize its drug and alcohol abuse treatment program to reflect a "substance abuse" approach. Presently, VA has more than 50 drug treatment centers and more than 70 alcohol units. VA continues to request new single-purpose units. This contradicts the findings of VA's recent Pilot Alcohol and Drug Abuse Treatment study which found that there is no significant difference in treatment outcomes in combined drug and alcohol versus single-purpose centers. In addition, VA is projecting decreased drug patients and increased alcohol patients. Combined units would better use personnel, provide more facilities with substance abuse coverage and thus reduce the number of future centers needed.

No cost savings would result in the near term because the units would continue to operate.

1979 Budget Reductions

Name of affected program: Veterans Administration
 Medical Care

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<u>X</u>	Rescission proposal	_____
		Deferral proposal	_____
Operational (affecting way programs are carried out)		Other legislation	<u>X</u>
		Administrative action	_____

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
 (\$ in millions)

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	5,169	-10	-20	-20
Outlays.....	5,166	-10	-20	-20

Suggested action

Propose legislation to eliminate the provision of "over-the-counter" drugs and pharmaceuticals by VA to non-service-disabled veterans. Presently these pharmaceuticals are provided free to these veterans. The proposed change would not affect service-disabled veterans, nor would veterans be denied prescription medications required to carry out an approved course of treatment.

Costs are ball park, and must be verified by VA before any public exposure of this proposal. If enacted after the appropriations bill for 1979, rescission or deferral could be necessary.

1979 Budget Reductions

Name of affected program: Veterans Administration
Medical Care

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) _____

Rescission proposal _____

Deferral proposal _____

Other legislation _____

x Administrative action x

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	5,169	--	--	--
Outlays.....	5,166	--	--	--

Suggested action

Require proof of income from non-service-disabled veterans who seek VA care on the basis of being "unable-to-defray" the cost of care. Presently, these veterans must only attest that they cannot afford health care. These unable-to-defray veterans represent more than 30% of VA's inpatient program. While this proposal will not probably save any funds, it would give assurance that these veterans receiving VA care are indeed the indigent for whom this care is intended.

The extent to which proof of income can be required of the veteran may be so limited by present law that a legislative change would be necessary.

1979 Budget Reactions

Name of affected program: Veterans Administration
Medical Care

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) ☒ Rescission proposal _____
Operational (affecting way programs are carried out) _____
Deferral proposal _____
Other legislation ☒ _____
Administrative action _____

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	5,169	-20	-40	-38
Outlays.....	5,166	-20	-40	-38

Suggested action Propose legislation to eliminate the one-year presumption of dental disability. Present law allows the veteran to seek dental care from VA within one year of his discharge from active duty to have his teeth repaired on a one-time basis. The VA believes that this benefit is inappropriate for VA because most of this care should have been rendered while the veteran was on active duty. This proposal does not affect the VA care of service-disabled teeth.

Rough cost estimates should be verified by VA. Also, the Department of Defense may oppose this action and should review it if it is considered for action.

1979 Budget Reductions

Name of affected program: Veterans Administration
 Medical Care

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<u>X</u>	Rescission proposal	<u> </u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)		Other legislation	<u> X </u>
		Administrative action	<u> </u>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
 (\$ in millions)

	<u>1979</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
	<u>Base</u> <u>Total</u>			
BA.....	5,169	--	--	--
Outlays.....	5,166	--	--	--

Suggested action

Propose legislation to limit to six months the time which a non-service-disabled veteran may spend in a VA nursing home. Presently, the non-service-disabled veteran may remain in a VA nursing home indefinitely, but may be placed in a community nursing home at VA expense for 6 months only. However, service-disabled veterans may (and would continue to) remain in VA and community facilities as long as medically necessary. Therefore, a situation has developed where non-service-disabled veterans are kept in VA nursing homes while service-disabled veterans are placed into the community, where the care frequently is of lesser quality. The proposed 6-month limitation would align VA and contract community nursing home care for non-service-disabled veterans, would still

allow adequate time for non-service-disabled VA nursing care to continue while other placement is located, and would eliminate the perverse incentive which currently exists. Also, by placing an absolute limit on this benefit, non-service-disabled veteran access to medicare and medicaid should be expedited. It is not anticipated that this proposal would save any funds in the present budget, because extensive waiting lists exist for VA nursing home care. However, if enacted this change would reduce the need to build additional new VA nursing homes in the future and thus would play a substantial role in holding down future VA operational costs. This proposal could result in more veterans seeking other federally-supported benefits such as medicare and medicaid.

1979 Budget Reductions

Name of affected program: Veterans Administration
Medical Care

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) _____	Rescission proposal _____
	Deferral proposal _____
Operational (affecting way _____)	Other legislation _____
programs are carried out) <u>X</u>	Administrative action <u>X</u>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	5,169	--	-10	-20
Outlays.....	5,166	--	-10	-20

Suggested action

Begin to identify structurally outmoded and medically inappropriate facilities for closure. Several VA hospitals are physically deteriorating and will need replacement, and/or are having difficulty due to size and location in keeping up with and delivering contemporary health care. Certain of these should be closed, and others considered for replacement with more medically appropriate outpatient clinics, etc. A staffing reduction as well as facility operating expense savings would result.

Costs are very rough and based upon small facility closures. The VA must review estimates before any public exposure.

1979 Budget Reductions

Name of affected program: Veterans Administration
 General Operating Expenses

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) _____	Rescission proposal _____
	Deferral proposal _____
Operational (affecting way _____	Other legislation _____
programs are carried out) <u> x </u>	Administrative action <u> x </u>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
 (\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	620	-3	-3	-3
Outlays.....	620	-3	-3	-3

Suggested action

The Veterans Administration is in the process of implementing a six-year effort (the TARGET System) which will automate its benefit programs processing. The agency has indicated the need for an additional, unplanned computer to fully implement the system. The benefits-cost ratio without the additional computer is only 1.18/1.00. The additional computer would make the TARGET System B/C ratio marginal at best.

It is recommended that, unless the agency can fully implement the system within already approved resources, the system be implemented on a scaled down basis, or that other modifications be undertaken to eliminate the implied requirement for additional computer capacity.

1979 Budget Reductions

Name of affected program: Veterans Administration
Construction, Major Programs

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) ☐

Rescission proposal ☐

Operational (affecting way
programs are carried out) ☒

Deferral proposal ☒

Other legislation ☐

Administrative action ☐

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	296	--	-48	--
Outlays.....	230	--	-2	-10

Suggested action

Cancel recent decision to build a new VA hospital in Camden, New Jersey. Return to President's Budget proposal to build a nursing home in Philadelphia and an outpatient clinic in Camden.

1979 Budget Reductions

Name of affected program: Veterans Administration
 Veterans Life Insurance

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<u> x </u>	Rescission proposal	<u> </u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> x </u>
		Administrative action	<u> </u>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
 (\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	537	-19	-19	-19
Outlays.....	294	-19	-19	-19

Suggested action

Veteran beneficiaries of three veteran insurance programs are paid annual dividends on their policies from the surplus income over liabilities incurred during the year. Under current law, the administrative costs of managing these programs are borne by the U.S. Government. Since insurance coverage is a non-service-connected benefit, it is proposed that the surplus on which dividends are paid be reduced by the amount necessary to cover the administrative costs of operating the programs.

1979 Budget Reductions

Name of affected program: Veterans Administration
Medical Care

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) X Rescission proposal _____
Operational (affecting way programs are carried out) _____
Deferral proposal _____
Other legislation _____
Administrative action X

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 Base Total	1979	1980	1981
BA.....	5,169	--	-4	-4
Outlays.....	5,166	--	-4	-4

Suggested action

Cancel decision to lease a VA outpatient clinic in Broward County, Florida. This facility is not necessary and was agreed to by the Administration in an attempt to secure support for hospital cost containment legislation.

Civil Service Commission

1979 Budget Reductions
CIVIL SERVICE COMMISSION

Name of affected program:

Central Personnel Operations

<u>Nature of action:</u>	(Check one)		(Check one)
Substantive (affecting program)	<u> </u>	Rescission proposal	<u> </u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> X </u>	Other legislation	<u> </u>
		Administrative action	<u> X </u>

Budget effect (Change from Presidential proposals in Mid-Session Review): (In thousands)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	121,500	-715	--	--
Outlays	118,900	-715	--	--

Suggested action:

Reduce 1979 personnel, travel, and overtime costs. Assumes the agency will begin to lapse vacancies in 1979 in order to meet 1980 employment reductions. Also assumes that the agency can curtail overtime by \$200K since it, historically, has ranked as one of the higher users of overtime among the 24 medium sized agencies in which it is classed. Further, since the Commission has tended to overestimate travel costs, a 2% reduction in such costs is proposed.

CSA

1979 Budget Reductions

Community Services Administration

Name of affected program:

Program Administration

Nature of action:

Type of action required:

Substantive (affecting program)	_____	Rescission proposal	<u> x </u>
		Deferral proposal	_____
Operational (affecting way		Other legislation	_____
programs are carried out)	<u> x </u>	Administrative action	_____

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	\$34.0	\$-.5	\$-.5	\$-.5
Outlays.....	31.6	-.5	-.5	-.5

Suggested action

The 1980 budget planning letter to CSA reduced full-time permanent staff by 21 positions below the 1979 ceiling of 1,014 slots. While only about 930 positions are now filled, added slots were given to CSA so it would have flexibility during an internal reorganization. CSA will not exceed its 1980 ceiling of 993 positions in 1979 either and therefore the 1979 budget can also be lowered by 21 positions, saving \$525,000 through a rescission or negative budget amendment. It may be desirable to reduce the 1979 pay supplemental for CSA rather than seek a rescission or propose a budget amendment.

7/20/78

1979 Budget Reductions

Community Services Administration

Name of affected program:

National Advisory Council on Economic Opportunity (NACEO)

Nature of action:

Type of action required:

Substantive (affecting program) _____	Rescission proposal	<u>X</u>
	Deferral proposal	_____
Operational (affecting way	Other legislation	_____
programs are carried out) <u>X</u>	Administrative action	_____

Budget effect (Change from Presidential proposals in Mid-Session Review): (\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	\$.3	\$-.3	\$-.3	\$-.3
Outlays.....	.3	-.3	-.3	-.3

Suggested action

Terminate NACEO and request a rescission of \$300,000 (or a negative 1979 budget amendment if the appropriation for CSA is not enacted). The Administration's reauthorization bill would terminate NACEO in early 1979. The House bill extends NACEO through early 1980, and limits fiscal year expenditures to \$175,000, while the Senate bill authorizes the council for another three years. A rescission or negative budget amendment of \$300,000 would terminate NACEO as of the end of FY 1978. It may be desirable to reduce the 1979 pay supplemental for CSA rather than seek a rescission or submit a budget amendment.

7/20/78

NSF

Budget Examiner: Gail Pesyna

Telephone: X-4640

1979 Budget Reductions
National Science Foundation

Name of affected program:

Science Education--Science and Society Program

<u>Nature of action:</u>	(check one)	<u>Type of action required:</u>	(check one)
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other Legislation	<u> </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

		(in millions of \$)		
	1979			
	<u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	6	-2	-2	-2
Outlays	6	-2	-2	-2

Suggested action:

The Science and Society program is concerned with increasing communications between the scientific community and the public. Three subprograms exist for this purpose, one of which, Science for Citizens, was created by the Congress after heated debate in FY 1977. Among other activities, this program would provide NSF funding for scientific support to public interest and intervenor groups participating in public policy issues with strong technical components. The appropriateness of this role for NSF is highly questionable, and a number of the other activities within Science for Citizens could be funded through one of the other two subprograms. ESD staff suggests that the Science for Citizens subprogram be terminated.

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Telephone: X-4640

1979 Budget Reductions
National Science Foundation

Name of affected program:

Science Education--Science Education Resources Improvement Program

<u>Nature of action:</u>	(check one)	<u>Type of action required:</u>	(check one)
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other Legislation	<u> </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	(in millions of \$)		
		<u>1979</u>	<u>1980</u>	<u>1981</u>
BA :	30	-3	--	--
Outlays :	28	-2	-1	--

Suggested action:

One of the objectives of this program is to contribute to a stable flow of talented under-represented ethnic minority students and individuals from low income families into the sciences. As a new approach to this problem the Congress authorized the establishment of a Resource Center for Science and Engineering in FY 1978, stipulating that if experience with such a center warrants establishment of other centers, consideration should be given to expansion of the program. NSF would like to establish three more Centers in FY 1979 for comparative purposes; however, until some information is available from the first project such expansion can be postponed, and possibly may be shown to be unwarranted. ESD staff suggests that funding for these new Centers in FY 1979 be eliminated.

Budget Examiner: Gail Pesyna

Telephone: X-4640

1979 Budget Reductions
National Science Foundation

Name of affected program:

Ocean Sediment Coring Program--Ocean Margin Drilling Planning and Evaluation

<u>Nature of action:</u>	(check one)	<u>Type of action required:</u>	(check one)
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other Legislation	<u> </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	1979	1980	1981
BA	14	-4	--	--
Outlays	12	-2	-2	--

Suggested action:

As part of NSF's support for Earth Sciences, the Deep Sea Drilling Program has led to significant advances in understanding the makeup of the Earth and its geologic history. U.S. institutions that have participated in this program have proposed a new 10-year, \$450 million Ocean Margin Drilling Program as a follow-on effort. NSF has budgeted \$4 million in FY 1979 for planning and evaluation of this activity. ESD staff is suggesting elimination of this planning money since budget constraints in FY 1980 make a large new initiative in Ocean Margin Drilling appear unlikely.

SBA

Budget Examiner Frank Seidl
Telephone x 4507

1979 Budget Reductions
Small Business Administration

Name of affected program

Development company loans

Nature of action:

Substantive (affecting program) X

Operational (affecting way
programs are carried out)

Type of action required:

Rescission proposal X
Deferral proposal
Other legislation
Administrative action

Budget effect (Change from Presidential proposals in Mid-Session Review): (\$ in millions)

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	45	-10	-10	-10
Outlays.....	45	-10	-10	-10

Suggested action:

Scale back the level of direct loans to state and local development companies for plant construction, conversion, or expansion, or land acquisition. Rely on funding provided through Commerce's Economic Development Administration which supports similar activities, but under broader economic development goals.

Budget Examiner Frank Seidl
Telephone x 4507

1979 Budget Reductions
Small Business Administration

Name of affected program

Business Loan and Investment Fund - Section 7(a) business loans

Nature of action:

Type of action required:

Substantive (affecting program) X

Rescission proposal X

Operational (affecting way
programs are carried out) _____

Deferral proposal _____

Other legislation _____

Administrative action _____

Budget effect (Change from Presidential proposals in Mid-Session Review): (\$ in millions)

	1979 Base Total	1979	1980	1981
BA.....	160	-60	-60	-60
Outlays.....	160	-60	-60	-60

Suggested action:

Reduce level of planned FY 1979 7(a) direct loan activity. Emphasize instead the 7(a) guarantee program. There is strong congressional support for direct vs guarantee loans...most small business borrowing needs can, however, be met through the guarantee program with significantly less impact on Federal outlays.

Budget Examiner Frank Seidl
Telephone x 4507

1979 Budget Reductions
Small Business Administration

Name of affected program

Other Services

Nature of action:

Type of action required:

Substantive (affecting program) _____

Rescission proposal X

Operational (affecting way
programs are carried out) X

Deferral proposal _____

Other legislation _____

Administrative action _____

Budget effect (Change from Presidential proposals in Mid-Session Review): (\$ in millions)

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	17.8	-1.0	-1.0	-1.0
Outlays.....	17.5	-.9	-1.0	-1.0

Suggested action:

Reduce level of contract services for administrative support.



Budget Examiner Frank Seidl
Telephone x 4507

1979 Budget Reductions
Small Business Administration

Name of affected program

Printing and reproduction

Nature of action:

Type of action required:

Substantive (affecting program) _____

Rescission proposal X

Operational (affecting way
programs are carried out) X

Deferral proposal _____

Other legislation _____

Administrative action _____

Budget effect (Change from Presidential proposals in Mid-Session Review): (\$ in millions)

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	1.7	-.2	-.2	-.2
Outlays.....	1.6	-.2	-.2	-.2

Suggested action:

Reduce planned increases in FY 1979 and base resources allocated for printing of SBA pamphlets and promotional literature.



Budget Examiner Frank Seidl
Telephone x 4507

1979 Budget Reductions
Small Business Administration

Name of affected program

Investment Company Assistance

Nature of action:

Type of action required:

Substantive (affecting program) X

Rescission proposal X

Deferral proposal

Other legislation

Administrative action

Operational (affecting way
programs are carried out)

Budget effect (Change from Presidential proposals in Mid-Session Review): (\$ in millions)

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	22	-2	-2	-2
Outlays.....	20	-2	-2	-2

Suggested action:

Scale back the level of commitment to direct loans (purchases) of debentures issued by small business investment companies (SBIC's). SBIC's have not proven themselves to be as effective as originally anticipated in providing venture capital financing for small concerns owned and operated by disadvantaged persons.

Budget Examiner Frank Seidl
Telephone x 4507

1979 Budget Reductions
Small Business Administration

Name of affected program

Travel

Nature of action:

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) X

Type of action required:

Rescission proposal X
Deferral proposal _____
Other legislation _____
Administrative action _____

Budget effect (Change from Presidential proposals in Mid-Session Review): (\$ in millions)

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	8.1	-.5	-.5	-.5
Outlays.....	8.0	-.4	-.5	-.5

Suggested action:

Reduce planned level of agency travel--would still allow a \$300K increase over FY 1978 level.

All other small agencies

1979 Budget Reductions

UNITED STATES GOVERNMENT

Name of affected program:

Executive Branch Postage Costs

Nature of action:

Type of action required:

Substantive (affecting program) _____	Rescission proposal _____
	Deferral proposal _____
Operational (affecting way _____	Other legislation _____
programs are carried out) _____	<u>X</u> Administrative action <u>X</u>

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	?	-10 (est)	-10 (est)	-10 (est)
Outlays.....	?	-10 (est)	-10 (est)	-10 (est)

Suggested action

Administratively require all Government publications periodicals, information memoranda, etc. with mailing lists in excess of 100 use third-class postage as opposed to first-class. Evidence suggests that current mailing regulations are not being properly and uniformly applied.

7-20-78
LVE

1979 Budget Reductions
ACTION, operating expenses, international programs

Name of affected program:

Peace Corps

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	_____	Rescission proposal	<u> x </u>
		Deferral proposal	_____
Operational (affecting way programs are carried out)	<u> x </u>	Other legislation	_____
		Administrative action	<u> x </u>

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	95.1	-5	-5	-5
Outlays.....	92.7	-5	-5	-5

Suggested action: Defer full implementation of new training programs for Peace Corps volunteers for six months. Administration has supported these training programs in FY 1978 through a supplemental request; enactment of that supplemental before September is unlikely and full implementation of the program will be delayed. Other actions could involve delaying entry into new countries and delaying filling of volunteer slots as they open.

7-20-78

LVE

1979 Budget Reductions
ACTION; operating expenses, domestic programs

Name of affected program:

National Youth Service

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) x

Rescission proposal x

Operational (affecting way
programs are carried out)

Deferral proposal

Other legislation

Administrative action

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	5	-5	-5	-5
Outlays.....	5	-5	-5	-5

Suggested action: Rescind funds provided in FY 1979 to study the concept of a National Youth Service. This proposal was originally presented to the President as a full-scale \$500M program, with ultimate full-year costs possibly reaching \$6 billion, and was not approved. Upon appeal, \$5M and 10 staff were restored for research and evaluation in FY 1979. Work has already begun and a RFP for up to \$3.7M has been released. However; ACTION is already conducting an experiment in Syracuse with DOL youth funds, which will provide some information. Since it would be extremely difficult to squeeze a full scale program into future year budgets, the advisability of studying the concept is questionable. The agency places a high priority on this item.

7-20-78
LVE

1979 Budget Reductions
ACTION, operating expenses, domestic programs

Name of affected program:

VISTA

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<u>x</u>	Rescission proposal	<u>x</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>
		Administrative action	<u>x</u>

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	47.6	-12	-12	-12
Outlays.....	46.5	-11	-13	-12

Suggested action: Terminate one-third of VISTA projects in FY 1979. By not refilling the vacated volunteer slots, program level could be reduced to FY 1978 level. In effect, this proposal would reverse the decision to increase VISTA by about 30% for FY 79. Savings amount to about \$8M. Further savings (\$4M) could be realized by rescinding funds approved for a new Office of Voluntary Citizen Participation in FY 79. Both programs have high priority in the agency .

7-20-78

1979 Budget Reductions
ACTION, operating expenses, domestic programs

Name of affected program:

Older American Volunteer Programs

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	<u>x</u>	Rescission proposal	<u>x</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u>x</u>	Other legislation	<u> </u>
		Administrative action	<u>x</u>

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	62.6	-6.7	-13.4	-15.1
Outlays.....	61.2	-6.7	-13.4	-15.1

Suggested action: Change regulations requiring local sponsors of ACTION Older American Volunteer programs to increase local share of funding by 10% per year up to a maximum of 50% (currently 30% for the Retired Senior Volunteer Program; 10% for Foster Grandparents and Senior Companions). Rescind funds freed up by increased local share (or reduced Federal share) rather than initiate new project sites. Advent of Proposition 13 and experience with proposed reduction for Retired Senior Volunteer Program (RSVP) in FY 79, make success highly questionable. Administration has just sent forward an amendment for RSVP to restore \$4.7M to 1979 budget because of the adverse reaction to the reduction.

Budget examiner: Spevacek

Telephone: 4580

Board for International Broadcasting
1979 Budget Reductions

Name of affected program : Board for International Broadcasting

Nature of action:

Type of action required:

Substantive (affecting program)	<u>X</u>	Rescission proposal	<u> </u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u>X</u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (thousands).....	728	--	-728	-778
Outlays (thousands)	728	--	-728	-778

Suggested action

Through legislation, eliminate BIB (saving 10 FTP's, 5 part-time Board members and extensive administrative expenses). State would devote 2 man years to providing grants to RFE/RL and ensuring RFE/RL's conformance to broad U.S. policies. BIB has been useful in modernizing RFE/RL but is becoming increasingly self-serving. State would oppose change because of increased workload and its desire to keep its distance from RFE/RL. BIB and some congressional people would also oppose. RFE/RL and its small but vocal constituency would probably support change. Any 1979 savings would be minor due to late legislative enactment and would be offset by termination costs.

July 21, 1978

Budget examiner: Spevacek

Telephone: 4580

Board for International Broadcasting
1979 Budget Reductions

Name of affected program: International Broadcasting

Nature of action:

Type of action required:

Substantive (affecting program)	<u>X</u>	Rescission proposal	<u> </u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>
		Administrative action	<u>X</u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (thousands)	84,452	--	-250	-265
Outlays (thousands)	77,646	--	-250	-265

Suggested action

Direct RFE/RL to cease broadcasting immediately in four lowest priority languages (Tajik, Turkman, Kirghiz, Uigur). Current broadcasts in these languages are too brief (thirty minutes per day or less) to be effective. 1979 savings would be used to terminate affected employees.

July 21, 1978

Budget examiner: Bruce Johnson

Telephone: X4764

1979 Budget Reductions

Civil Aeronautics Board

Name of affected program Local Service Air Carrier Subsidies

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>
Substantive (affecting program)	<u>X</u>	Rescission proposal
		Deferral proposal
Operational (affecting way programs are carried out)	<u> </u>	Other legislation
		Administrative action

(Check
one)

X
X
X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	68,900	-13,400	-14,700	-15,300
Outlays	69,341	-13,400	-14,700	-15,300

Suggested action

Redefine subsidy eligible operations to exclude service to points enplaning more than 100 passengers a day. Pending regulatory reform legislation in the House and Senate would prevent the CAB from taking this action (which the CAB is presently contemplating at a staff level).

Budget examiner: Bruce Johnson.

Telephone: X4764

1979 Budget Reductions
Civil Aeronautics Board

Name of affected program Regulation of Government Air Cargo Rates

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal		
Operational (affecting way programs are carried out)		Other legislation	<u>X</u>	
		Administrative action	<u>X</u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	27,042	-450	-450	-450
Outlays	26,811	-450	-450	-450

Suggested action

Deregulate military and postal service rates (saving about seven positions each) with the latter requiring new legislation. The Federal Government is a significant consumer of airline services and should be able to negotiate competitive contracts for those services by itself without CAB help.

Budget examiner: Bruce Johnson
 Telephone: X4764

1979 Budget Reductions
 Civil Aeronautics Board

Name of affected program Regulation of Air Freight Forwarders

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u>X</u>	
		Administrative action	<u>X</u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	27,042	-250	-250	-250
Outlays	26,811	-250	-250	-250

Suggested action

Deregulate completely air freight forwarder operations (saving approximately eight positions). In light of the deregulation of air cargo operations, it seems anomalous to continue to regulate associated ground services.

Budget examiner: Bruce Johnson

Telephone: X4764

1979 Budget Reductions
Civil Aeronautics Board

Name of affected program Salaries and Expenses

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	_____	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	_____	
Operational (affecting way programs are carried out)	<u>X</u>	Other legislation	_____	
		Administrative action	<u>X</u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	27,042	-200	-200	-200
Outlays	26,811	-200	-200	-200

Suggested action

Eliminate three field offices (Dallas/Fort Worth, Miami and Seattle) in which investigators were located to assure compliance with CAB regulations. These enforcement activities are no longer needed given the new regulatory reform climate.

1979 Budget Reductions
Consumer Product Safety Commission (CPSC)

Name of affected program: Consumer Product Safety Commission (CPSC)

Nature of action:

Type of action required:

Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>
		Deferral proposal	<u> </u>
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	41.5	-5.5	-5.5	-5.5
Outlays.....	39.7	-4.9	-5.5	-5.5

Suggested action

Upon enactment of CPSC's 1979 appropriations bill:

-- accept a \$1.5 million reduction provided in the House version.^{1/}

^{1/} Should the conferees provide a higher level, the rescission request would be increased accordingly.

July 20, 1978

7-20-78
LVE

1979 Budget Reductions
Equal Employment Opportunity Commission (EEOC)

Name of affected program:

Enforcement of Equal Employment Opportunity

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) ☒ Rescission proposal ☒
Operational (affecting way
programs are carried out) ☐ Deferral proposal ☐
☐ Other legislation ☐
☐ Administrative action ☐

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	110	-2	-2	-2
Outlays.....	104	-2	-2	-2

Suggested action: Bring forward the proposed 1980 ceiling reduction to 1979. This would delay the implementation of the new charge processing system in some offices and possibly keep the systemic program from getting started.

Budget examiner: R. Silberman

Telephone: 4594

1979 Budget Reductions
Export-Import Bank

Name of affected program: Cooperative Financing Facility (CFF)

Nature of action:

Substantive (affecting program) X

Operational (affecting way
programs are carried out) X

Type of action required:

Rescission proposal

Deferral proposal

Other legislation

Administrative action X

Budget effect (Change from Presidential proposals in Mid-Session Review):

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	18	-89.7	-67.7	-44.6
Outlays (millions)	10	-29.7	-57.7	-44.6
Program (millions)	150	-100.0	-100.0	-100.0

Suggested action:

Eximbank would be asked to curtail new CFF credit lines and hold approvals to \$50 million annually until an ongoing program evaluation is satisfactorily completed. A shortfall from the budgeted level was likely given current program levels, but a policy decision to curtail new activity would provide some savings. This is a marginal program of Eximbank's that was ranked below all others in the 1979 ZBB submission. Effect on U.S. exports would be nominal, but public announcement might produce some adverse reaction given current trade picture.

July 21, 1978

Budget examiner: R. Silberman

Telephone: 4594

1979 Budget Reductions
Export-Import Bank

Name of affected program: Administrative Expenses

Nature of action:

Type of action required:

Substantive (affecting program) _____

Rescission proposal _____

Deferral proposal _____

Operational (affecting way
programs are carried out) X

Other legislation X
Administrative action _____

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	13.5	-.25	-.25	-.25
Outlays (millions)	13.5	-.25	-.25	-.25

Suggested action:

The Bank's Board consists of five full-time Directors, including the President and First Vice President. The three directors that are not officers of the Bank, all Executive Level IV, could be changed from full- to part-time positions. Rather than meeting weekly to approve all individual loan credits and preliminary commitments, the Board could meet quarterly or semi-annually to review and set overall policies and programs. Day-to-day operational decisions would be taken by the Bank's officers. This should be presented as an effort to streamline the Bank's operations and reduce the number of executive-level positions. If this action resulted in more efficient operations and consistent application of policy to programs, it could be favorably received by the business community.

July 21, 1978

Budget Examiner: Brigham
Telephone: 4610

1979 Budget Reductions
Federal Home Loan Bank Board

Name of affected program: Federal Home Loan Bank Board (FHLBB) Revolving Fund, Limitation
on Administrative and Nonadministrative Expenses

Nature of action: (Check one)

Type of action required: (Check one)

Substantive (affecting program) ☐

Rescission proposal ☐

Note: If two or more kinds
of actions are needed,
identify dollar amount
for each.

Operational (affecting way
programs are carried out) ☒

Deferral proposal ☐

Other legislation ☐

Administrative action ☒

Budget effect (Change from Presidential proposals in Mid-Session Review) (Dollars in Millions):

	<u>1979 Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Limitations.....	(49.6)*	(-1.6)	(-1.6)	(-1.6)
Employment (FTP).....	1,503	-50	-50	-50

* All administrative expenses of the FHLBB are financed by fees assessed against the savings and loan industry. No appropriated funds are used, so no budget authority or outlays are recorded. FHLBB expenses are subject to congressional limitations approved in Appropriations Acts.

Suggested action

The proposed action would involve a reduction of 50 in the staff of the FHLBB. TCH staff feel the Board could make such a reduction by allowing the examination cycle for savings and loan institutions to lengthen to the 15-16 month range. The Board would be constrained to use staff more efficiently and to develop better statistical methods to score savings

and loan institutions to identify those institutions most in need of examination or supervision. If the Board were not to achieve the necessary improvements, the percentage of losses experienced by the Federal Savings and Loan Insurance Fund as a result of defaulting institutions would increase.

July 17, 1978

Budget Examiner Mike Arnold

Telephone x4563

1979 Budget Reductions
Federal Trade Commission

Name of affected program

Petroleum Industry Litigation

Nature of action:

(Check
one)

Substantive (affecting program) X

Operational (affecting way
programs are carried out) _____

Type of action required:

Rescission proposal
Deferral proposal
Other legislation
Administrative action

(Check
one)

X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	3.7	-3.7	-3	-3
Outlays.....	5.0	-3.7	-3	-3

Suggested action

FTC should be instructed to consider the feasibility of abandoning the antitrust suit against eight major petroleum refining companies in view of the high costs to the Government and the private sector, as well as the questionable benefits to the consumer if the case is won. (This is the largest antitrust enforcement action in the history of the agency. Although the complaint was issued in 1973, the case is still in pretrial proceedings; if it goes to trial, litigation will last for years at an annual cost of \$3-5 M.)

Budget Examiner Mike Arnold

Telephone x4563

1979 Budget Reductions
Federal Trade Commission

Name of affected program

Public Participation in Rulemaking

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	1.0	.5	.5	.5
Outlays	1.0	.5	.5	.5

Suggested action

Reduce program funding by half, to the level of previous years. (This program, for which funding was doubled in 1979, pays the expenses of representatives of public interest groups who testify in FTC proceedings.)

Budget examiner: Kenneth Schwartz

Telephone: X5664

1979 Budget Reductions
Appalachian Regional Commission

Name of affected program Commission Research and Support Services

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u> </u>	Rescission proposal	<u> </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> X </u>	
Operational (affecting way programs are carried out)	<u> X </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	1,200	-120	-120	-120
Outlays	1,200	-120	-120	-120

Suggested action

The Commission has traditionally over-estimated its ability to obligate funds for research projects. A 10% reduction in the research budget could be accommodated with small impact by use of prior year un-obligated balances.

Budget examiner: Kenneth Sci tz

Telephone: X5664

**1979 Budget Reductions
Appalachian Regional Commission**

Name of affected program Local Development District Program

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u> </u>	Rescission proposal	<u> X </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> X </u>	Other legislation	<u> </u>	
		Administrative action	<u> </u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	5,200	-200	-200	-200
Outlays	5,100	-180	-200	-200

Suggested action

"Local development districts" are sub-state, multi-county planning entities within the Appalachian region. The Commission provides grants to these entities for economic planning. In 1978, the districts received a 15% increase in planning funds. No change was proposed for 1979. The suggested action would reduce funding by \$200 thousand. This would still permit a 10% funding increase between 1977 and 1979--a little less than the inflationary costs during that period. Programmatic consequences of such a cut are not clear.

Budget examiner: Spevacek

Telephone: 4580

International Communication Agency
1979 Budget Reductions

Name of affected program: Personnel (S&E)

Nature of action:

Type of action required:

Substantive (affecting program) _____

Rescission proposal _____

Operational (affecting way
programs are carried out) X

Deferral proposal _____

Other legislation _____

Administrative action X

Budget effect (Change from Presidential proposals in Mid-Session Review):

	<u>1979</u> <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	175	-2.3	-2.3	-2.3
Outlays (millions)	175	-2.3	-2.3	-2.3

Suggested action

ICA 1980 employment ceiling, recently provided by OMB, provides 175 person reduction from 1979 ceiling. Agency actual employment is currently slightly below this reduced 1980 ceiling. 1979 ceiling could be reduced to 1980 level, the 175 individuals never hired and the saved monies used to reduce 1979 pay supplemental.

July 21, 1978

Budget examiner: Spevacek
Telephone: 4580

International Communication Agency
1979 Budget Reductions

Name of affected program: Travel (S&E)

Nature of action:

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) X

Type of action required:

Rescission proposal _____

Deferral proposal _____

Other legislation _____

Administrative action X

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	10	-1	-1	-1
Outlays (millions)	10	-1	-1	-1

Suggested action

Cut travel 10% in 1979. Begin one year early a travel reduction planned in 1980 and 1981 budget ceilings. Would force agency to cut less important travel. Agency will argue that such a cut makes for less effective programing. Savings could be used to reduce 1979 pay supplemental.

July 21, 1978

Budget examiner: Spevacek

Telephone: 4580

International Communication Agency
1979 Budget Reductions

Name of affected program Overseas Posts

Nature of action:

Type of action required:

Substantive (affecting program)	_____	Rescission proposal	_____
		Deferral proposal	_____
Operational (affecting way programs are carried out)	<u>X</u>	Other legislation	_____
		Administrative action	<u>X</u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA (millions)	125	—	-2.2	-2.2
Outlays (millions)	125	—	-2.2	-2.2

Suggested action

Reduce to a token presence ICA staff in 45 low priority countries. Only minimum programing could be conducted in those countries, most of which are in Africa and Latin America. 48 American and 230 foreign national positions would be eliminated.

July 21, 1978

Budget examiner: Bruce Johnson
 Telephone: X4764

**1979 Budget Reductions
 Interstate Commerce Commission**

Name of affected program Administrative Expenses

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	_____	Rescission proposal	<u> X </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	_____	
Operational (affecting way programs are carried out)	<u> X </u>	Other legislation	<u> X </u>	
		Administrative action	_____	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	70,822	-200	-200	-200
Outlays	69,380	-200	-200	-200

Suggested action

Reduce number of Commissioners by four (from 11 to 7) with savings of \$200K for compensation for these positions.

Budget examiner: Bruce Johnson
 Telephone: X4764

**1979 Budget Reductions
 Interstate Commerce Commission**

Name of affected program Administrative Expenses

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>	
		Administrative action	<u>X</u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	70,822	-830	-830	-830
Outlays	69,280	-830	-830	-830

Suggested action

Adopt regulatory reform proposals of ICC internal task force on improving motor carrier entry regulation which simplify and reduce requirements for obtaining certificate authority. Assume 5% reduction in budgets of three Bureaus and offices with responsibilities associated with this policy change.

1979 Budget Reductions
National Endowment for the Arts

7-20-78
LVE

Name of affected program:

Salaries and Expenses: Program Administration

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program) _____	Rescission proposal	<u> x </u>
	Deferral proposal	_____
Operational (affecting way	Other legislation	_____
programs are carried out) <u> x </u>	Administrative action	_____

Note: If two or more kinds of actions are needed, identify dollar amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in thousands)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	149,660	-879	-879	-879
Outlays.....	132,799	-879	-879	-879

Suggested action: Reduce appropriations for administrative expenses by \$879,000. The Endowment will be able to absorb the reduction by increasing by 50% the number of grant proposals mailed to reviewers for review, reducing staff travel, holding council meetings in Washington D.C., reducing free publications by 10% and requiring user charges and reducing supplies by depleting inventories of existing stock.

This reduction will bring the obligational authority level back to the 1978 level in most of these areas.

1979 Budget Reductions
National Endowment for the Humanities

7-20-78
LVE

Name of affected program:

Salaries and Expenses: Program Administration

(Check
one)

Nature of action:

Type of action required:

Substantive (affecting program)	_____	Rescission proposal	<u> x </u>
		Deferral proposal	_____
Operational (affecting way programs are carried out)	<u> x </u>	Other legislation	_____
		Administrative action	_____

Note: If two or
more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in thousands)

	<u>1979</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
	<u>Base Total</u>			
BA. (Excludes \$16 million trust funds)	145,600	-980	-980	-980
Outlays (Excludes trust funds)	105,773	-900	-980	-980

Suggested action: Reduce appropriations for administrative expenses by 9% or \$1,000,000. The reduction would reduce by half the increase of fulltime permanent positions granted in the FY 1979 budget. The resultant reduction of 6 positions would begin in FY 1979 movement toward the FY 1980 reduction of 7 positions decided upon in spring planning. Increases in personnel benefits and equipment are proportionately reduced. Travel, printing and supplies and materials are reduced to the FY 1978 levels, amounting to a \$279,000 savings. These reductions can be achieved by holding all council meetings in Washington D.C., by savings resulting from the Endowment's decision to terminate publication of their monthly newsletter, and by depleting the stocks of existing supplies and materials. Reduction of \$400,000 in other services can be achieved by delaying planned activities, including new data processing systems. Further reductions can be achieved by increasing by 50% the grant proposals mailed to reviewers for review thereby decreasing funds needed to bring reviewers to Washington.

1979 Budget Reductions

RAILROAD RETIREMENT BOARD

Name of affected program:

RRB -- Sickness Insurance

Nature of action:

Type of action required:

Substantive (affecting program)	<u>X</u>	Rescission proposal	_____
		Deferral proposal	_____
Operational (affecting way programs are carried out)		Other legislation	<u>X</u>
		Administrative action	_____

Budget effect (Change from Presidential proposals in Mid-Session Review):
(\$ in millions)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA.....	80	-80	-80	-80
Outlays.....	80	-80	-80	-80

Suggested action

End the Federal Government's role in this private sector sickness insurance program. This unique program, currently authorized in Federal law even though collectively bargained by railroad labor and management, could be contractually established and run by the private sector (as are almost all other private sector sickness insurance programs).

7/20/78

Budget Examiner E. B. Tryck

Telephone x4620

1979 Budget Reductions
Securities and Exchange Commission

Name of affected program

Full Disclosure

Nature of action:

(Check
one)

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) _____

X

Type of action required:

Rescission proposal

Deferral proposal

Other legislation

Administrative action

(Check
one)

X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	12.0	-.5	-1.0	-1.0
Outlays.....	12.0	-.5	-1.0	-1.0

Suggested action

Reexamine reporting and disclosure requirements in an effort to eliminate the number and size of filings in order to reduce private sector and SEC processing costs. Increase the selectivity in SEC review of filings.

Budget Examiner E. B. Tryck

Telephone x4620

1979 Budget Reductions
Securities and Exchange Commission

Name of affected program

Public utility holding company regulation

Nature of action:

(Check
one)

Substantive (affecting program) X

Operational (affecting way
programs are carried out) _____

Type of action required:

Rescission proposal
Deferral proposal
Other legislation
Administrative action

(Check
one)

X

X

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 Base Total	1979	1980	1981
BA	1	-1	-1	-1
Outlays.....	1	-1	-1	-1

Suggested action

Terminate regulation of public utility holding companies. This activity has dwindled (from the 30's) to a pro forma record keeping kind of regulation of a limited number of holding companies who have not yet achieved exemption. It might be difficult to obtain congressional action, but this appears to be a low priority SEC activity.

Budget Examiner: Memphis Norman

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1979 Budget Reductions
Smithsonian Institution

Name of affected program:

Salaries and Expenses (Science Programs)

<u>Nature of action:</u>	(check one)	<u>Type of action required:</u>	(check one)
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u>X</u>
Operational (affecting way programs are carried out)	<u> </u>	Deferral proposal	<u> </u>
		Other Legislation	<u> </u>
		Administrative action	<u> </u>

Budget effect (Change from Presidential proposals in Mid-Session Review):

(in millions of \$)

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	31	-1	-1	-1
Outlays	30	-1	-1	-1

Suggested action:

In addition to operating and maintaining 10 major exhibition buildings, as well as the National Zoo, the Smithsonian performs basic research programs in astrophysics, atmospheric sciences, human nutrition, environmental preservation, disease prevention, botany, and so on. ESD staff is suggesting that a small amount of this research be funded from private sources (i.e. the Smithsonian endowment funds), since some of the research seems to be duplicative of efforts performed by the National Science Foundation and other Federal mission agencies that conduct basic research in the same disciplines.

Budget examiner: M. Driggs
 Telephone: 4752

1979 Budget Reductions
 Department of Transportation
 U.S. Railway Association

Name of affected program

Purchase of ConRail Securities

<u>Nature of action:</u>	(Check one)	<u>Type of action required:</u>	(Check one)	
Substantive (affecting program)	<u>X</u>	Rescission proposal	<u> </u>	Note: If two or more kinds of actions are needed, identify dollar amount for each
		Deferral proposal	<u> </u>	
Operational (affecting way programs are carried out)	<u> </u>	Other legislation	<u> </u>	
		Administrative action	<u>X</u>	

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	199,000	-39,000	-	-
Outlays	199,000	-39,000	-	-

Suggested action

The U.S. purchases ConRail Securities equivalent to about 10 percent of the corporation's expenses. The purpose is to aid ConRail obtain self-sufficiency without government control of a railroad. The only requirements for funding are that the money be used for capital investment and that the general outlines of a 5 year business plan be followed. The latest plan anticipates major rehabilitation of rail yards. The yards are needed for boxcar traffic, yet ConRail is now seriously considering a withdrawal from boxcar traffic. This action breaks past standards of investment by withholding aid until a decision is made on boxcar traffic.

Budget examiner: M. Driggs

Telephone: 4752

1979 Budget Reductions

U.S. Railway Association

Name of affected program

Administrative expenses

Nature of action:

(Check
one)

Type of action required:

(Check
one)

Substantive (affecting program) _____

Operational (affecting way
programs are carried out) _____

X

Rescission proposal
Deferral proposal
Other legislation
Administrative action

Note: If two
or more kinds of
actions are needed,
identify dollar
amount for each

Budget effect (Change from Presidential proposals in Mid-Session Review):

	1979 <u>Base Total</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
BA	-	-	-	-
Outlays	-	-	-	-
Receipts	200	-	-	-
<u>Suggested action</u>				

Because Treasury does not recognize USRA as a Federal agency, the certifying officer is in DOT. This leaves USRA free to deposit monies borrowed from the Treasury in commercial banks; earning \$150-200,000 in overnight interest a year. A legislative change to allow USRA to be considered a Federal entity for the purposes of Treasury certification would streamline a cumbersome administrative process as well as allow Treasury to retain the funds until actually used.